

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Environmental Conservation**

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**Department Mission**

Protect human health and the environment.

**Department Goals and Strategies**

**1) PROTECT PUBLIC HEALTH AND PROMOTE ECONOMIC DEVELOPMENT AND JOBS THROUGH UPGRADES IN ALASKA'S WATER, WASTEWATER AND SOLID WASTE INFRASTRUCTURE.**

- Provide financial aid and technical assistance to communities for upgrading water, sewage, and solid waste systems.
- Provide the training, education, and technical assistance necessary for communities to properly operate, maintain, and manage water and sewerage systems to safeguard health and the state's investment in sanitation facilities.
- In collaboration with the engineering community, establish and implement design standards for domestic wastewater systems that can successfully treat sewage over time with proper maintenance.

**2) IMPROVE PERMIT APPLICATION, APPROVAL AND TRACKING.**

- Expand internet services for on-line permitting, application and information.
- Where appropriate, increase usage of general permits and "permit by rule" to expedite and reduce costs of permitting.
- Implement recommendations of the stakeholder workgroup on wastewater permitting.

**3) IMPROVE AQUATIC HABITAT AND ECONOMIC USES OF ALASKA WATERS.**

- Reduce pollutants to waters through implementation of non-point source water pollution strategies.
- Assist local watershed activities and promote watershed protection by providing public outreach, education, and financial support.
- Improve water quality conditions in impaired water bodies to support multiple uses.
- Reduce pollutants to waters from cruise ship waste disposal.
- Participate in an interdisciplinary, collaborative Alaska team that includes federal, state and local governments; native organizations; non-governmental organizations; and concerned citizens and coordinate activities to examine and develop factual information on persistent organic pollutants (arctic contaminants).

**4) DEVELOP AND PRESENT MEASURES TO HELP THE PUBLIC JUDGE ALLOCATION OF RESOURCES.**

- Collect data to report on performance measures, and report results and outcomes where data exists.
- Present to the legislature, department stakeholders, and the general public a program priority funding matrix which illustrates the allocation of general funds to services.
- Prepare and present funding projections for the oil and hazardous waste response fund to continue discussions on how to address impacts of the rapidly declining available funds.

**Key Department Issues for FY2002 – 2003**

The department deals with the most basic environmental health programs – food, water, sewage and garbage. Adequate laboratory capacity to test food for the presence of biological or chemical contaminants, and to certify private laboratories for accurate testing of public water supplies is a critical component of this state's public health infrastructure. The recent events of September 11<sup>th</sup> heighten the need for adequate laboratory capacity and accurate testing. Replacing the existing Seafood and Food Safety Laboratory with a new facility that meets the safety standards continues as a top priority issue.

The department is responsible for managing the Oil and Hazardous Waste Response Fund to address state spill

prevention and response priorities. There has been a significant decline in revenue due to decreasing flow through the Trans-Alaska Pipeline System. Revenues from the Exxon settlement ended in September 2001. In order to sustain the state's long-term spill prevention, preparedness, response and cleanup ability annual funding requests will have to be consistent with the revenue generated by the surcharge.

This department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. A human resources management program has been established to provide managers with a framework for making staffing decisions based on our organization's mission, strategic plan, and set of desired workforce competencies. This workforce planning requires strong management leadership; clearly articulated visions, mission, and strategic objectives; and cooperative supportive efforts at all levels within the organization. The challenge is to work with all hiring managers to assist them identify the competencies required of a particular position, how to weigh technical skills and behavioral competencies, how to recruit and identify candidates with those competencies for today's workforce, and to prepare for those competencies needed in the future.

### Major Department Accomplishments in 2001

**DOING IT RIGHT** - Three key principles of Doing it Right are sound science; prudent management; and meaningful public involvement that brings all stakeholders to the table. In cooperation with regulated industry, citizens in affected communities, and other governmental agencies, the Department of Environmental Conservation

- Delegated to the City of Valdez the domestic wastewater program, except installer certifications;
- Adopted the Alaska Clean Water Action plan to ensure state resources are directed to the highest priority needs to protect and enhance clean water for Alaskans;
- Adopted a "permit by rule" to streamline permitting requirements for portable oil and gas well drilling operations;
- Conducted Prince William Sound sea trials to enhance escort system capability and resolve preparedness issues;
- Conducted drills on the North Slope in the Beaufort sea open water and broken ice conditions to evaluate contingency plans; and
- Coordinated the usage rather than disposal of over 200,000 pounds of various waste product which would have ended up in Alaska's landfills.

**HEALTHY AND SAFE COMMUNITIES** - In partnership with regulated industry, citizens in affected communities, and other governmental agencies, the Department of Environmental Conservation

- Increased by 4 percent the number of rural households with access to running sewer and water;
- Implemented the cruise ship environmental compliance program;
- Completed actions to remove Harding Lake in Fairbanks and Swan Lake in Sitka from the state's polluted waters list;
- Implemented risk focused inspections for higher risk food service establishments;
- Approved an alternative way for the geoduck industry to safely market their product; and
- Coordinated the collection and safe disposal of household hazardous waste in 10 Yukon River communities and in Southeast Alaska.

### Governor's Key Department-wide Performance Measures for FY2003

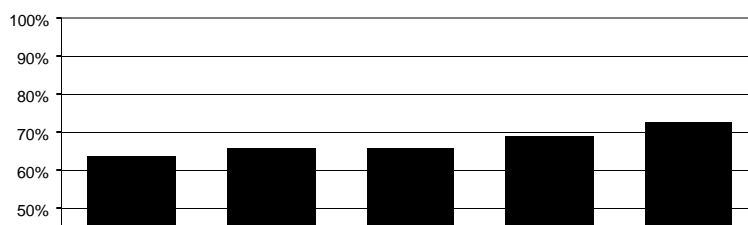
#### Measure:

The percentage of households with improved sanitation systems.  
Sec 67 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:

The goal is an average 4 percent annual increase in the number of rural households with access to running water and sewer systems. The percentage of rural households with access to running water and sewer increased 4 percent in the last year growing from 69 percent in 2000 to 73 percent in 2001.

Percent Rural Households with Running Water and Sewer



Strategies for accomplishing this goal are:

- To secure federal grant funds for rural sanitation projects;
- To make grants to rural communities with capacity to operate and maintain sanitation utilities for design and construction of water and sewer systems; and
- To work directly with rural communities to plan and construct water and sewer systems that can be operated and maintained locally.

**Measure:**

The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.

Sec 61 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal is to achieve incremental decreases in the number of critical violations in inspected facilities while increasing the frequency of inspections. Progress on this measure is listed in the table below.

	Calendar Year			
	1997	1998	1999	2000
Pesticide Product Removals	5	6	2	12
Food facilities	825	751	592	753

**Benchmark Comparisons:**

External comparisons are not available.

**Background and Strategies:**

To meet this goal we will:

- Place the highest priority on inspections for critical violations that affect health or safety;
- Increase inspection and monitoring of high risk public or private facilities;
- Peer reviews and inspections performed by the affected industry; and
- Educate inspected facilities regarding the impacts of and how to avoid critical violations.

**Measure:**

The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.

Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The number of oil spills greater than one gallon requiring a state response each year has continued to decrease. This may reflect both a decrease in the overall number of spills and a decrease in the percentage of those spills that require a response. A response is defined as a field visit or telephone follow up action. Responses are undertaken to spills having the greatest threat to human health or the environment. Of the 1,592 oil spills over one gallon reported in FY 2001, a state response was required for 529 spills.

Performance Measure	FY01	FY 96-00 Average
Total Number of Spills Reported (includes both oil spills and hazardous substance releases)	2,431	2,467
Number of Oil Spills requiring a response	529	945

The target is to continue to reduce both the number and amount of spills. For the five year period from FY 1996 – FY 2000 an average of 219,605 gallons were spilled each year. In FY 2001, 187,985 gallons of oil were spilled.

**Benchmark Comparisons:**

External comparisons are not available.

**Background and Strategies:**

To meet this goal we will implement a prevention plan which includes:

- Risk reduction measures;
- Technical assistance, legal actions, and/or public outreach, educational approaches;
- Education of commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and
- Technical assistance to tank owners and operators to ensure compliance with federal regulations.

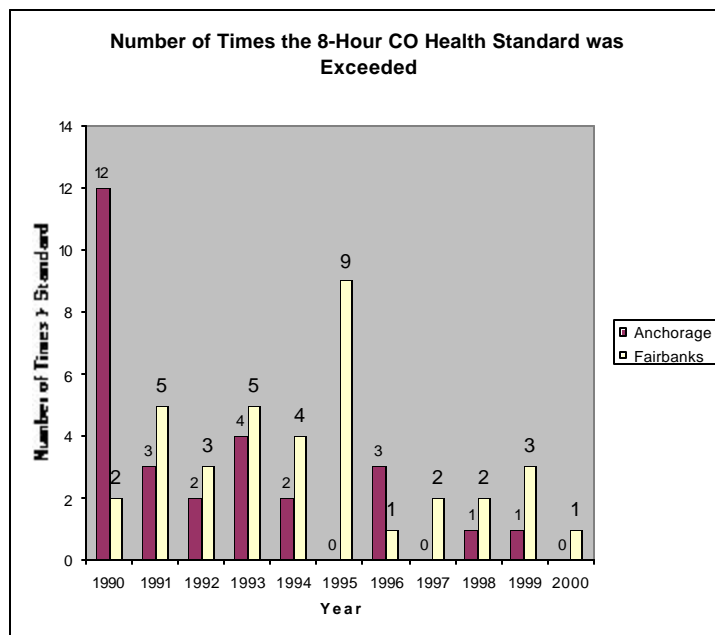
**Measure:**

Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards.

Sec 65 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

For the past four winters Anchorage has met the health standard. In 2000, Fairbanks met the standards. The federal health standard provides for one event per year above the 9 part per million exposure level – the second is considered a health violation. Under federal law, a community must meet the standard for two contiguous years to qualify as attaining the standard.



**Benchmark Comparisons:**

External comparisons are not available.

**Background and Strategies:**

The department is working closely with the Fairbanks Borough, the Municipality of Anchorage and the EPA to finalize required attainment plans. The Fairbanks plan was submitted in September 2001. The Anchorage plan will be submitted in January 2002.



## Department Budget Summary by BRU

*All dollars in thousands*

	General Funds	FY2001 Federal Funds	Actuals Other Funds	Total Funds	General Funds	FY2002 Federal Funds	Authorized Other Funds	Total Funds	General Funds	FY2003 Federal Funds	Governor Other Funds	Total Funds
<b>Formula</b>												
<b>Expenditures</b>												
None.												
<b>Non-Formula</b>												
<b>Expenditures</b>												
Administration	1,211.3	1,037.8	4,422.9	6,672.0	1,106.0	997.4	1,978.4	4,081.8	1,131.6	1,020.0	1,375.8	3,527.4
Environmental	6,184.7	2,732.5	552.0	9,469.2	7,189.8	3,505.6	405.6	11,101.0	7,928.9	3,719.5	424.7	12,073.1
Health												
Statewide	138.6	514.3	752.3	1,405.2	170.5	823.7	896.5	1,890.7	298.4	838.0	1,084.7	2,221.1
Public												
Services												
Air and Water	3,060.3	3,565.9	3,416.7	10,042.9	3,539.9	3,806.5	3,610.8	10,957.2	5,303.2	3,463.9	3,924.3	12,691.4
Quality												
Non-Pt Source	0.0	1,712.7	0.0	1,712.7	0.0	2,269.4	0.0	2,269.4	0.0	1,715.4	0.0	1,715.4
Pollution												
Contrl												
Spill Prevention	0.0	0.0	7,527.8	7,527.8	0.0	3,162.7	12,631.0	15,793.7	695.2	3,207.4	12,751.5	16,654.1
and												
Response												
Contaminated	0.0	2,562.9	4,199.6	6,762.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sites Program												
Local	0.0	0.0	401.7	401.7	0.0	0.0	423.4	423.4	0.0	0.0	326.1	326.1
Emergency												
Planning												
Comm												
Facility Constr.	1,009.9	1,140.4	2,384.0	4,534.3	1,032.9	1,658.5	3,095.0	5,786.4	1,042.7	1,660.6	3,147.4	5,850.7
& Op.												
<b>Totals</b>	<b>11,604.8</b>	<b>13,266.5</b>	<b>23,657.0</b>	<b>48,528.3</b>	<b>13,039.1</b>	<b>16,223.8</b>	<b>23,040.7</b>	<b>52,303.6</b>	<b>16,400.0</b>	<b>15,624.8</b>	<b>23,034.5</b>	<b>55,059.3</b>

## Funding Source Summary

*All dollars in thousands*

<b>Funding Sources</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
1002 Federal Receipts	13,266.5	16,223.8	15,624.8
1003 General Fund Match	2,893.3	2,788.5	2,992.9
1004 General Fund Receipts	6,101.1	6,994.5	10,224.5
1005 General Fund/Program Receipts	2,610.4	3,256.1	3,182.6
1007 Inter-Agency Receipts	5,365.8	1,096.2	1,166.2
1018 Exxon Valdez Oil Spill Settlement	65.4	632.8	13.2
1036 Commercial Fishing Loan Fund	175.0	175.0	175.0
1052 Oil/Hazardous Response Fund	12,259.0	13,567.5	14,575.1
1053 Investment Loss Trust Fund	137.6	32.5	
1061 Capital Improvement Project Receipts	1,811.2	2,245.9	2,461.8
1075 Alaska Clean Water Loan Fund	373.6	462.8	469.4
1079 Storage Tank Assistance Fund	919.3	957.0	
1093 Clean Air Protection Fund	2,105.0	2,266.4	2,857.5
1100 Alaska Drinking Water Fund	418.2	527.2	535.2
1108 Statutory Designated Program Receipts	26.9	1,077.4	77.4
1166 Commercial Passenger Vessel Environmental Compliance Fund			703.7
<b>Totals</b>	<b>48,528.3</b>	<b>52,303.6</b>	<b>55,059.3</b>

## Position Summary

<b>Funding Sources</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
Permanent Full Time	483	509
Permanent Part Time	7	9
Non Permanent	4	4
<b>Totals</b>	<b>494</b>	<b>522</b>

## FY2003 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Village Safe Water Feasibility Studies	0	2,488,800	830,300	3,319,100
Village Safe Water Projects	0	48,607,900	16,203,800	64,811,700
Village Safe Water Project Administration	0	1,505,500	501,800	2,007,300
Municipal Water, Sewer and Solid Waste Matching Grant Projects	11,538,200	8,517,800	3,865,900	23,921,900
Statewide Municipal Solid Waste Regionalization Plan	150,000	0	0	150,000
Statewide Contaminated Sites Cleanup	0	0	5,000,000	5,000,000
Spill Prevention - Best Available Technology Analysis	0	0	250,000	250,000
Corrosion Monitoring and Control - Best Management Practices	0	0	200,000	200,000
Petroleum Storage Tank Spill Prevention Standards Review	0	0	50,000	50,000
Language Section: Alaska Drinking Water Fund	600,000	8,052,500	1,010,500	9,663,000
Language Section: Alaska Clean Water Fund	0	8,100,000	1,620,000	9,720,000
Fine Particulate Monitoring	0	375,000	0	375,000
<b>Department Total</b>	<b>12,288,200</b>	<b>77,647,500</b>	<b>29,532,300</b>	<b>119,468,000</b>

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

## Overview of Departmental Budget Changes

### OIL SAFETY AND DEVELOPMENT INITIATIVE

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

### AIR QUALITY

- with the assistance of private contractors, develop air permit procedures, forms and regulation changes to implement the findings of the 2000 air permitting benchmarking study jointly done by the department and Alaska Oil and Gas Association to eliminate permit backlogs and provide predictability in the timing of permit issuance.
- examine policy options and technology retrofits that would reduce emissions of global warming greenhouse and avoid pollution increases from expanded oil and gas operations in the National Petroleum Reserve and Arctic National Wildlife Refuge.

### WATER QUALITY

- evaluate best available technologies to reduce waste quantity and toxicity.

#### SPILL PREVENTION AND RESPONSE

- streamline contingency plan requirements through development of standardized technical manuals, scenario guidelines and assumptions.
- provide additional technical assistance and develop contingency plan submittal guidelines to prevent problems and expedite the approval process by initiating early action on potential issues.
- provide technical assistance to industry and consultants.
- develop educational materials and conduct stakeholder outreach.

#### Permitting and Plan Approvals

DEC will:

#### AIR QUALITY

- reduce air permit processing time by 50%, from a four-year average of 253 days to 126 days.
- eliminate the average 3-month permit queue and begin work immediately upon receipt of application.
- maintain permit quality by ensuring that permits are carefully drafted to minimize avoidable permit change requests.

#### WATER QUALITY

- evaluate baseline conditions prior to issuing new wastewater permits
- reduce the time it takes to issue oil and gas related individual wastewater permits by 56 days, or roughly 30 percent.
- conduct pre-work field inspections at approximately 10% of the projects to evaluate potential alternatives, or methods of operation that may result in less surface fill, less run-off pollution and greater protection of sensitive areas.

#### SPILL PREVENTION AND RESPONSE

- improve the timeliness of reviews for new, amended, and renewed oil spill contingency plans resulting from increased oil and gas activities and improve resolution of issues that prevent plan approvals in a timely manner.

#### Inspection, Monitoring and Compliance

DEC will:

- open a full-time North Slope field office with four staff.

#### AIR QUALITY

- increase the number of oil and gas air permit inspections. Only 25% of the current 88 permitted air facilities are inspected while no exploratory operations are inspected. We expect to increase the number of these inspections to 50% and inspect 20% of the exploration drill sites.
- audit 10% of air facility reports to fully evaluate operational compliance. Reports are not currently audited against the raw data on which they are based.
- Use private contractors to complete an independent ambient air quality monitoring project to evaluate cumulative ground level air quality conditions around oil field operations.

#### WATER QUALITY

- conduct water inspections and provide compliance assistance to North Slope facilities.
- increase inspection rates for high priority wastewater discharges from 50% to 100%.
- increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).
- conduct independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.
- evaluate ambient water quality through sampling and analyses.

#### SPILL PREVENTION AND RESPONSE

- increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.
- increase the number of on-site inspections conducted to determine compliance with discharge prevention and response equipment and resource requirements, including personnel training and corrosion detection.

- investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.
- increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- utilize third-party inspectors to assess leak detection and corrosion monitoring practices through term contracts.
- utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems through term contracts.

## OTHER CHANGES IN SERVICE

### ADMINISTRATION

Administration sets department policy to protect public health and the environment while promoting economic development and jobs in Alaska. Administration facilitates changes and innovations in department operations by anticipation in state, federal, and departmental initiatives.

No significant changes are anticipated in this BRU.

### ENVIRONMENTAL HEALTH

Environmental Health promotes public health through safe water, safe food, and healthy communities. The division continues its focus on education and outreach on public health protection through good sanitary practices as well as the successful implementation of the mandatory hazard analysis critical control point program for seafood.

Additional funding being sought:

1. 175.0 GF to fully implement needed improvements to address critical children's environmental health needs. Since 1997, there have been 747 drinking water violations in our public schools, the majority of which were for failure to test the water for bacteria. Since welfare reform began, the number of children who spend some portion of their day in child care has increased greatly, yet child care sanitation regulations have not been updated since 1982. Updating and implementation is best accomplished with an interactive process with the regulated industry. This increment will also fund coordination with other agencies, monitoring of national children's health initiatives and legislation, and development and distribution of training tools for child care centers and schools on food service, drinking water, pesticide use, indoor air quality and wastewater.
2. 154.9 GF and 154.9 Federal to clear the backlog in several critical areas including the large number of water systems that are out of compliance with testing rules, have not completed sanitary surveys, or completed groundwater under the influence of surface water determinations. Program staff will work with owners and operators of water systems to come into and stay in compliance in these three areas, which EPA has determined threatens the safety and reliability of water supplies in many Alaskan communities.
3. 274.0 GF and 50.0 Inter-agency Receipts to continue testing of Alaska's wild seafood resources for contaminants. We will test a variety of fish species from all areas of the state and build a publicly accessible database that will provide answers regarding the presence of persistent bioaccumulative toxins. We will develop trend data to prevent our wild seafood from being negatively impacted.

### STATEWIDE PUBLIC SERVICES

Statewide Public Services protects public health and the environment by assisting individuals, businesses, and communities to assess, solve and prevent their environmental problems. Statewide Public Services helps small communities and businesses which lack expertise and funds to address their environmental problems. The voluntary compliance services offered by this division build capability to tackle the environmental problems most serious to community health and environment.

Additional funding is requested to coordinate issues involving a gasline project between DEC, the Gas Pipeline Office, and a pipeline sponsor to ensure timely, effective permitting activity. This includes: permitting, authorization and oversight of a gas pipeline during pre-construction and construction; permitting and authorization of air emissions from construction and initial operation of a gas pipeline; identification of air emission requirements and issues during project preconstruction; establishing and meeting project permitting schedules; reviewing permit applications; and producing permits required for construction and initial operation.

## AIR AND WATER QUALITY

Air and Water Quality protects public health and the environment by identification and prevention of pollution of the state's air and water. This includes monitoring programs, non-point source protection programs, and permitting programs.

A funding change will implement the new Commercial Passenger Vessel Environmental Compliance Program (HB260). Program staff will provide technical assistance and risk analysis; initiate air emission (smoke opacity) and perform ambient air and water monitoring; and develop the superior environmental performance program.

Additional funding is being requested, 57.5 GF and 42.0 GFPR, to perform reviews of stormwater pollution prevention plans. On April 16, 2001 the Environmental Protection Agency issued a stormwater multi-sector general permit for industrial activities. For a company to operate under the terms of the new EPA general permit, DEC must first review and approve a site specific stormwater pollution prevention plan. Stormwater pollution is a major cause of water pollution in Alaska. These plan reviews will assure that local conditions and locally applied mitigation designs are incorporated to adequately protect Alaska's waters. DEC expects to receive up to 400 engineering plans for review and approval.

## SPILL PREVENTION AND RESPONSE

Spill Prevention and Response protects public health and the environment through the reduction of unlawful oil and hazardous substance contamination. This includes preventing, preparing for, responding to and ensuring the cleanup of unauthorized discharges of oil and hazardous substances and ensuring that the best spill prevention technology is used in the production, storage and transportation of oil and hazardous substances.

As listed for the second year of the approved fiscal note for SB16, 219.7 is needed for review and approval of contingency plans for all self-propelled non-tank vessels exceeding 400 gross registered tonnage and for railroad tank cars. Associated program staff will register primary response action contractors and provide technical assistance to stake holders in gaining compliance with the new regulations.

## FACILITY CONSTRUCTION AND OPERATION

Facility Construction and Operation promotes public health and environmental protection through financial and technical assistance to communities for the construction and operation of water, wastewater, and solid waste management facilities.

No significant changes are anticipated in this BRU.

## Summary of Department Budget Changes by BRU

## From FY2002 Authorized to FY2003 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>13,039.1</b>	<b>16,223.8</b>	<b>23,040.7</b>	<b>52,303.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Administration	25.6	22.6	19.7	67.9
-Environmental Health	136.2	59.0	1.6	196.8
-Statewide Public Services	2.9	14.3	15.5	32.7
-Air and Water Quality	448.9	-342.6	60.1	166.4
-Spill Prevention and Response	0.0	44.7	-99.2	-54.5
-Facility Constr. & Op.	9.8	2.1	52.4	64.3
<b>Proposed budget decreases:</b>				
-Administration	0.0	0.0	-622.3	-622.3
-Environmental Health	-1.0	0.0	-32.5	-33.5
-Air and Water Quality	-31.6	0.0	-300.0	-331.6
-Non-Pt Source Pollution Contrl	0.0	-554.0	0.0	-554.0
-Local Emergency Planning Comm	0.0	0.0	-97.3	-97.3
<b>Proposed budget increases:</b>				
-Environmental Health	603.9	154.9	50.0	808.8
-Statewide Public Services	125.0	0.0	172.7	297.7
-Air and Water Quality	1,346.0	0.0	553.4	1,899.4
-Spill Prevention and Response	695.2	0.0	219.7	914.9
<b>FY2003 Governor</b>	<b>16,400.0</b>	<b>15,624.8</b>	<b>23,034.5</b>	<b>55,059.3</b>



## **Administration Budget Request Unit**

**Contact: Barbara Frank, Director**

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### **BRU Mission**

Provide support and policy direction to the divisions in the department.

### **BRU Services Provided**

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council, State Emergency Response Commission, and Alaska Coastal Policy Council.
- Provide support services to customers and clients of the department, other agencies, the legislature and individual department employees.
- Develop and implement sound administrative policies and practices for the department.

### **BRU Goals and Strategies**

- 1) USE THE BEST AVAILABLE SCIENCE AND STAKEHOLDER INPUT TO ACHIEVE STANDARDS FOR CLEAN AIR, LAND, WATER, FOOD SAFETY AND THE ENVIRONMENT.
  - Use stakeholder working groups to review and recommend changes to department priorities and policies.
- 2) PROVIDE EASY PUBLIC ACCESS TO DEPARTMENT INFORMATION AND TECHNICAL ASSISTANCE
  - Maintain a department web page and a department-wide Internet information assistance system.
- 3) INCREASE EMPHASIS ON PREVENTATIVE MEASURES TO DECREASE EMERGENCY RESPONSE CRISIS MANAGEMENT.
  - Actively participate as a value-adding business partner providing solutions and services in support of our programs' and customers' missions and changing needs.
  - Be aware of and seek out useful technologies.
  - Have policies and procedures, "how-to" fact sheets, and training support.
  - Increase customer focus and responsiveness through up-front consultations.
  - Provide clear expectations and open two-way communication.
- 4) FACILITATE CHANGE AND INNOVATION IN DEPARTMENT OPERATIONS.
  - Delegate authority to the appropriate lowest level, reducing duplicative and unnecessary reviews.
  - Support good business decisions.
  - Support a team-based approach to problem solving.
  - Invite user input into the decision-making process.
  - Encourage personnel development through training and improved communication to achieve the highest level of excellence in public service.

### **Key BRU Issues for FY2002 – 2003**

The department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. An organizational effectiveness program has been established to provide managers with a framework for making decisions based on our organization's mission, strategic plan, performance measures and vision. The program includes 1) development of a structured process for environmental problem solving, ensuring a focused investment of limited public resources toward activities that matter and that yield direct environmental or health improvement; 2) development of innovative training tools that improve personal leadership and organizational effectiveness; and 3) development of a structured process for employee mentoring and succession planning.

## Major BRU Accomplishments in 2001

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

Cruise Ship Compliance Monitoring. Following the Royal Caribbean pollution court case, the department worked with the cruise ship industry and concerned stakeholders to begin a cruise ship waste sampling program. The results showed that cruise ships were discharging the equivalent of raw sewage into Alaska's inside waters. As a result the Governor worked with the federal administration and Senator Murkowski to pass federal law to strengthen federal oversight of cruise ship discharges. As part of the department's work with cruise ship industry and public and private stakeholders, it became clear that state legislation was needed to give the department the tools to monitor and control cruise ship pollution.

Legislation was passed by Alaska's legislature to provide for a comprehensive state oversight program to monitor cruise ship discharges, learn more about their effects on the environment and regulate those discharges in a way that placed a minimal burden on the cruise industry.

Improved Non Tank Spill Prevention and Preparedness. The grounding of the cargo ship Kuroshima and the associated oil spill in Dutch Harbor followed by a number of large oil spills by the Alaska Railroad demonstrated the need for improvement in spill prevention and preparedness for these modes of transportation. To develop an appropriate legal foundation to upgrade the spill prevention and response systems for these industries, the department chaired a 23-member task force with representatives from the maritime industry, the Alaska Railroad, petroleum producers, distributors and transporters, spill response cooperatives, and the US Coast Guard. It held 11 formal meetings over a five-month period, in which the members worked through legal and technical issues on prevention, contingency plans, and response planning standards.

Based on the recommendations of the task force, legislation was passed that requires the Alaska Railroad and sea-going vessels of 400 or more gross tons to demonstrate the ability to pay for responding to oil spills and established a response planning standard for industry to be able cleanup 15% of the vessel's maximum oil storage capacity within 48 hours of an oil spill.

Reasonable and Accountable Permit Fees. The department worked with public and private stakeholders affected by the department's permit programs including environmental organizations, members of industry (oil and gas, seafood processing, mining), other agencies, and municipalities to agree on a way to fund the department's permit programs with a balance of permit fees and general funds. Based on the recommendations made by the stakeholder working group the legislature passed HB 361, a bill that directs the department to establish appropriate permit fees for department services and directs the method of establishing those fees.

Briefly, the new law requires that fees charged for permits by the department must reflect only the actual and "reasonable direct" cost of issuing the permit. The department must establish a schedule of fixed fees for their routine "simple repetitive permitting activities," but requires them to negotiate special fees for large industries or controversial permit proposals. It also requires the agency to use a uniform accounting system to manage the fees and give permit-holders monthly invoiced detailing the expenses charged to them. The result of the department's work with the permit fee working group will be a more user-friendly regulatory environment with predictability, standardization and stability.

Departmental Training. Administrative Services delivered two service improvement training programs for department staff. Vision Based Leadership was the next step in the series of Human Resources training which is offered in our goal to recruit, retain and reward quality employees who deliver the department's mission and vision. The training provided attendees with real examples of leadership within the department; suggested tools for effective leadership; and incorporated both practical and conceptual materials. The second training was issues management focusing on the movement and changes in environmental management. For example, turning from productivity or output measures to environmental quality measures; encouraging pollution prevention rather than relying solely on pollution prosecution; and moving from incident or site based analysis to pattern or area-wide analysis. It focused on risk management and problem solving approaches including problem solving and risk control procedures, stages, and infrastructure.

## Key Performance Measures for FY2003

### Measure:

The percentage of divisions that meet assigned performance measures.  
Sec 61 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

The goal is for all division to track performance on 100% of their assigned performance measures.

All divisions are tracking performance measures.

### Benchmark Comparisons:

All state departments are required to track performance measures.

### Background and Strategies:

The goal is for divisions to track 100% of their assigned performance measures. To accomplish this goal the following strategies will be employed:

- Establish valid benchmarks to determine and/or measure results.
- Require each division to monitor and report annually on all program performance measures.

### Measure:

The percentage of permittees out of compliance with state law or regulations.  
Sec 61 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

The goal of the department is to incrementally increase percentage of facilities in compliance with state permit requirements.

Progress on this measure is illustrated in the table below. Compliance data was not kept for wastewater permits prior to 2001.

Type of Permit	2000	2001
Wastewater	N/A	1 %*
Air	21 %	17 %
Solid Waste	41 %	40 %
Spill Contingency Plans	22 %	26 %
Food	41 %	42 %

\* There was little compliance monitoring or facility inspection work done by the wastewater program in FY 01. Absent this monitoring information an accurate non-compliance rate is questionable.

### Benchmark Comparisons:

External comparisons not available.

### Background and Strategies:

To accomplish this goal, the following strategies will be employed:

- Create and maintain a valid inventory or database of permitted facilities, using a department-wide facility identification database;
- Create and maintain automated reporting tools for permitted facilities;
- Use data from permittees to determine compliance;
- Use third party inspections to determine compliance ; and
- Work with Pacific Northwest states to collect comparable performance information.

**Measure:**

The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.

Sec 61 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to achieve incremental decreases in the number of critical violations in inspected facilities while increasing the frequency of inspections.

Progress on this measure is illustrated in the table below.

	Calendar Year			
	1997	1998	1999	2000
Pesticide Product Removals	5	6	2	12
Food	825	751	592	753

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

To meet this goal we will employ the following strategies:

- Place the highest priority on inspections for critical violations that affect health or safety;
- Increase inspection and monitoring of high risk public or private facilities;
- Peer reviews and inspections performed by affected industries; and
- Educate inspected facilities regarding the impacts of and how to avoid critical violations.

**Measure:**

The average time taken to adjudicate decisions in permit disputes.

Sec 61 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to issue decisions on hearing requests within 15 days and complete adjudicatory hearings and final decisions within six months. Progress on this measure is illustrated in the table below.

	Calendar Year	
	1999	2000
Hearings Requested	6	11
Requests Denied	2	1
Requests Withdrawn	2	10

Days To Issue Final Decision	306	15
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**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

To meet the goal the following strategies will be employed:

- Amend administrative procedure regulations to provide for and encourage alternative dispute resolution;
- Streamline the adjudicatory hearing process timeframes and make clear the requirements parties must satisfy to be granted a hearing and intervene in a hearing.

**Measure:**

The percentage of adjudicated decisions that are appealed to the courts.  
Sec 61 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to not have any of its final adjudicatory hearing decisions appealed to the courts.

The single decision made in FY 01 to deny a hearing request has been appealed to the courts.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Amend the administrative procedures regulations to provide for a fair and timely review of agency decisions by the Commissioner or her designee.

**Measure:**

The average time taken to respond to complaints and questions that have been elevated to the Commissioner's Office.  
Sec 61 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There are three methods for bringing a complaint or issue to the attention of the commissioner's office.

1. A formal administrative process is in place under 6 AAC 50 for elevating draft permit issues to the commissioner's office through a coastal management elevation. By law anyone elevating a draft coastal management decision to the Commissioners of the state resource agencies must receive a final decision within 15 business days.
2. The commissioner's office receives written correspondence elevating a wide variety of issues. These might include, but are not limited to, requests for technical assistance, questions about permit decisions, recommendation for changes to DEC regulations, and/or dissatisfaction with application procedures and fees. Department policy allows for 10 business days to respond to any written elevations. A formal tracking system is in place to monitor the time it takes to respond to elevations via written correspondence. This system is maintained by the commissioner's office support staff.
3. Questions and complaints are brought to the Commissioner's office attention via telephone similar to those via written correspondence but are generally time-sensitive and therefore receive a more immediate response. Department policy is to respond to all issues brought to the attention of the commissioner's office to be responded to within 24 hours.

This is a new performance measure. Information tracked during Fiscal Year 2001 is illustrated in the table below.

Type of question or complaint	Number	Average Time to Respond
Coastal Consistency Elevation	2	15
Written Correspondence	300	10
Telephone Calls	5 per day	24 hours

**Benchmark Comparisons:**

All state Departments are required to track and report on this measure.

**Background and Strategies:**

- Maintain a Commissioner's office log of incoming correspondence and telephone calls; and
- Direct all incoming questions or complaints to the appropriate division director for review and timely response.

**Measure:**

The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.

Sec 62 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to resolve 90% or more of complaints and grievances within the department.

DEC had six grievances in FY01; three were resolved inside the department.

**Benchmark Comparisons:**

Comparison information is to be provided by the Department of Administration.

**Background and Strategies:**

Grievances are disputes that relate only to application of contract provisions or contractual violations, while complaints are defined as any controversy or dispute that does not involve the application or interpretation of contract provisions. The department is involved at every step of the grievance/complaint process and normally must approve all grievance settlements, even when resolved by labor relations.

To achieve the goal of the department, the following strategies will be used:

Conduct regular preventative meetings with union representatives;  
 Provide supervisory training to ensure supervisors comply with contractual agreements;  
 Establish clear performance measures at the employee level;  
 Mediate and resolve problems before a complaint or grievance is filed; and  
 Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

**Measure:**

The percentage of employee grievances overturned by hearing officers as compared to all other departments.

Sec 62 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to have less than 5% of grievances overturned by a hearing officer.

In FY01, one DEC grievance advanced to hearing but the parties reached a settlement before the conclusion of the hearing. To date, no grievances in FY02 have been overturned at hearing.

**Benchmark Comparisons:**

Comparison information is to be provided by the Department of Administration.

**Background and Strategies:**

Arbitration is the negotiated process the employer and the unions agreed to use to resolve allegations of contract violations or, to enforce the terms of the contract. Grievances are disputes that relate to application or interpretation of a specific contract provision, allegations of a specific contractual violation, or used to bring enforcement of a specific contractual term or article.

To achieve the goal of the department, the following strategies will be used:

- Conduct regular preventative meetings with union representatives;
- Provide supervisory training to ensure supervisors comply with contractual agreements;
- Establish clear performance measures at the employee level;
- Mediate and resolve problems before a complaint or grievance is filed; and
- Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

#### Measure:

The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.

Sec 62 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:

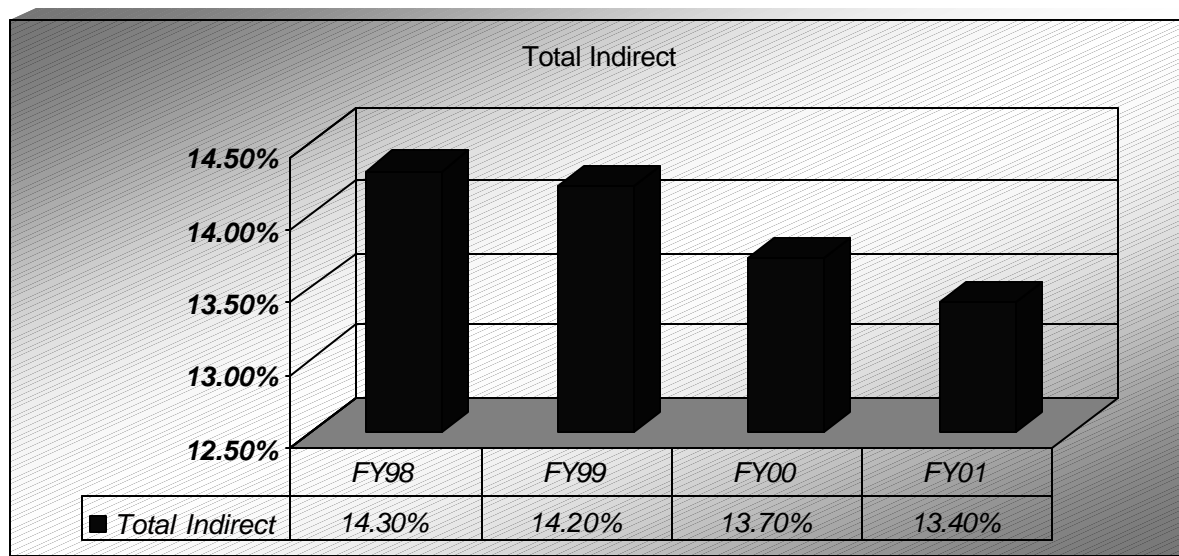
The goal of the department is to maintain or decrease the indirect funding relative to total dollars.

For the last several years the department has slightly reduced the percentage of funds being collected to cover indirect costs. Assuming no major changes in the programs managed by this agency, projections for fiscal year 2002 indicate this trend will continue.

#### Benchmark Comparisons:

This process requires the identification of those costs that cannot be attached to a specific program or a cost that may be centrally managed in a more cost efficient manner. The allocation of these costs is determined by a method of equitable distribution to each funding source.

The process used by the department to collect indirect funds is unique and does not lend itself to comparison. To make a comparison with another agency, that agency would need to have identified the same costs as those within DEC. At this time no other agency meets this criteria. A comparison of year to year collections is the most reliable measure for determining success on this measure as shown in the following chart.



#### Background and Strategies:

The goal is to provide effective support services at the lowest possible cost and to manage shared costs to reduce those costs. To achieve this goal, services will be evaluated using the following criteria:

- Is the task required by statute;
- Is the task required by federal regulation;
- What consequences occur if the task is not completed;
- What level of detail is required;
- What level of staff knowledge and training is required to perform the task;
- Is there another way we can purchase these services at a lower cost;
- Will an additional investment now lead to efficiencies or savings in the future;
- Does this cost benefit only a specific program(s) and therefore be charged directly to the program; and
- Does a reduction in program funding reduce the needs for indirect services or costs?

**Measure:**

The percentage of penalties for total payroll or vendor payments per year.  
Sec 62 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The department will limit penalty pay to less than 0.1%.

The department has not paid any penalty payroll in the last eleven years. The annual percentage of penalties for vendor payments over the last four years has been very low, well below 0.1% of total payments.

**Benchmark Comparisons:**

Payroll: Comparison information is to be provided by the Department of Administration.

Vendor: The average penalties payment versus total operating budget for those agencies utilizing the state accounting system in FY2001 was 0.114%. DEC was lower than this average at 0.098% and also lower than the departmental target of less than 0.1%.

**Background and Strategies:**

Payroll: With 24 pay periods each year, the department completes almost 11,000 payroll transactions annually. Employees are paid from different accounts and, when combined with additional parameters such as bargaining unit and overtime, the potential for error rises dramatically. To ensure that the goal is met, the department has explored new technologies and methods for time and payroll purposes and has developed an electronic tracking system for the majority of its employees. In addition, the department continues to explore the possibilities of eliminating timesheets for overtime-exempt employees claiming pay for a single funding code.

Vendors: The department strives to make vendor payments as close to the due date as possible. To accomplish this we attempt to enter payments five days prior to the invoice due date. Delays occur when approvals are not available; an invoice is delayed; or insufficient information is provided on an invoice. To ensure prompt payments we centralized tracking of travel charges, train staff on invoice processing, and review statements to monitor outstanding invoices.

**Measure:**

The number of audit exceptions resolved.  
Sec 62 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the department is to eliminate audit exceptions and to resolve any valid exceptions that do occur within six months of notification.

From fiscal year 1996 to 1999 the department has reduced audit exceptions by 83% as a result of refining our accounting management system. Additionally, 100% of audit exceptions have been resolved.

**Benchmark Comparisons:**



For fiscal year 1999 twelve of the sixteen agencies audit received notice of audit exceptions. The average number of audit exceptions resolved by these agencies was 65%. The number of audit exceptions resolved by DEC was 100%.

**Background and Strategies:**

The department makes the identification and resolution of potential audit exceptions a high priority. To meet this goal we:

- Review prior audit issues to identify current areas of need;
- Identify the appropriate staff level to resolve issues; and
- Assign tasks to clearly identify staff responsible for technical processing and those responsible for compliance monitoring.

**Administration**  
**BRU Financial Summary by Component**

*All dollars in thousands*

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Office of the Commissioner	290.7	104.3	142.7	537.7	300.2	104.9	0.0	405.1	307.8	107.5	0.0	415.3
Administrative Services	920.6	933.5	4,214.8	6,068.9	805.8	892.5	1,345.6	3,043.9	823.8	912.5	1,375.8	3,112.1
Exxon Restoration	0.0	0.0	65.4	65.4	0.0	0.0	632.8	632.8	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>1,211.3</b>	<b>1,037.8</b>	<b>4,422.9</b>	<b>6,672.0</b>	<b>1,106.0</b>	<b>997.4</b>	<b>1,978.4</b>	<b>4,081.8</b>	<b>1,131.6</b>	<b>1,020.0</b>	<b>1,375.8</b>	<b>3,527.4</b>

## Administration

## Proposed Changes in Levels of Service for FY2003

Exxon Valdez Settlement funding has declined steadily over the last several years as the restoration activities come to a close. Reduced funding no longer warrants maintaining a separate component. Two transactions are being proposed which will delete the component, a transfer and a decrement. A staff position and funding to facilitate program closeout are being transferred to the Air and Water Quality Director's Office and the remaining authorization decreased.

## Administration

## Summary of BRU Budget Changes by Component

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,106.0</b>	<b>997.4</b>	<b>1,978.4</b>	<b>4,081.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Office of the Commissioner	7.6	2.6	0.0	10.2
-Administrative Services	18.0	20.0	30.2	68.2
-Exxon Restoration	0.0	0.0	-10.5	-10.5
<b>Proposed budget decreases:</b>				
-Exxon Restoration	0.0	0.0	-622.3	-622.3
<b>FY2003 Governor</b>	<b>1,131.6</b>	<b>1,020.0</b>	<b>1,375.8</b>	<b>3,527.4</b>

## **Component: Office of the Commissioner**

### **Contact: Michele Brown, Commissioner**

**Tel:** (907) 269-7633 **Fax:** (907) 269-7654 **E-mail:** Michele\_Brown@envircon.state.ak.su

## **Component Mission**

Provide support and policy direction to the divisions in the department.

## **Component Services Provided**

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and responsibilities on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council, State Emergency Response Commission, and Alaska Coastal Policy Council.

## **Component Goals and Strategies**

1) USE THE BEST AVAILABLE SCIENCE AND STAKEHOLDER INPUT TO ACHIEVE STANDARDS FOR CLEAN AIR, LAND, WATER, FOOD SAFETY AND THE ENVIRONMENT.

- Use Stakeholder working groups to review and recommend changes to department priorities and policies.

2) PROVIDE EASY PUBLIC ACCESS TO DEPARTMENT INFORMATION AND TECHNICAL ASSISTANCE.

- Maintain a department web page and a department-wide Internet information assistance system.

## **Key Component Issues for FY2002 – 2003**

The Commissioner's Office clearly communicates to the public and affected stakeholders what services can be realistically expected from the department's human and fiscal resources.

## **Major Component Accomplishments in 2001**

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

Cruise Ship Compliance Monitoring. Following the Royal Caribbean pollution court case, the department worked with the cruise ship industry and concerned stakeholders to begin a cruise ship waste sampling program. Wastewater samples taken as part of the stakeholder program showed that cruise ships were discharging the equivalent of raw sewage into Alaska's inside waters. As a result the Governor worked with the federal administration and Senator Murkowski to enact federal law to strengthen federal oversight of cruise ship discharges. In addition to strengthening the federal pollution control safety net it was essential that Alaska have an independent role in controlling pollution. State legislation was passed in a special session to give the department the tools to monitor and control cruise ship pollution.

As a result of the department's investigation with affected stakeholders of cruise ship disposal practices, there is now a comprehensive state and federal oversight program to monitor cruise ship and Alaska State ferry discharges, learn more about their effects on the environment and regulate those discharges in a way that places a minimal burden on the cruise industry and the Alaska Marine Highway System.

Improved Non Tank Spill Prevention and Preparedness. The grounding of the cargo ship Kuroshima and the associated oil spill in Dutch Harbor followed by a number of large oil spills by the Alaska Railroad demonstrated the need for improvement in spill prevention and preparedness for these modes of transportation. To develop an appropriate legal foundation to upgrade the spill prevention and response systems for these industries, the department chaired a 23-

member task force with representatives from the maritime industry, the Alaska Railroad, petroleum producers, distributors and transporters, spill response cooperatives, and the US Coast Guard.

Based on the recommendations of the task force, legislation was passed that requires the Alaska Railroad and sea-going vessels of 400 or more gross tons to demonstrate the ability to pay for responding to oil spills. The law also established a response planning standard for industry to be able cleanup 15% of the vessel's maximum oil storage capacity within 48 hours of an oil spill.

Reasonable and Accountable Permit Fees. The department worked with public and private stakeholders affected by the department's permit programs including environmental organizations, members of industry (oil and gas, seafood processing, mining), other agencies, and municipalities to agree on a way to fund the department's permit programs with a balance of permit fees and general funds. Based on the recommendations made by the stakeholder working group the legislature passed HB 361, a bill that directs the department to establish appropriate permit fees for department services and directs the method of establishing those fees.

Briefly, the new law requires that fees charged for permits by the department must reflect only the actual and "reasonable direct" cost of issuing the permit. The department must establish a schedule of fixed fees for their routine "simple repetitive permitting activities," but requires them to negotiate special fees for large industries or controversial permit proposals. It also requires the agency to use a uniform accounting system to manage the fees and give permit-holders monthly invoices detailing the expenses charged to them. The result of the department's work with the permit fee working group will be a more user-friendly regulatory environment with predictability, standardization and stability. The department undertook rulemaking and release draft permit fee regulations for public comment in FY 2001 and anticipates that the regulations will be in effect by January 2002.

### **Statutory and Regulatory Authority**

AS 46.03.010; AS 46.08.040; AS 46.08.050

**Office of the Commissioner**  
**Component Financial Summary**

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	405.1	343.2	353.4
72000 Travel	56.4	21.5	21.5
73000 Contractual	48.0	38.1	38.1
74000 Supplies	10.0	2.3	2.3
75000 Equipment	18.2	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>537.7</b>	<b>405.1</b>	<b>415.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	104.3	104.9	107.5
1004 General Fund Receipts	290.7	300.2	307.8
1007 Inter-Agency Receipts	140.4	0.0	0.0
1053 Investment Loss Trust Fund	1.7	0.0	0.0
1108 Statutory Designated Program Receipts	0.6	0.0	0.0
<b>Funding Totals</b>	<b>537.7</b>	<b>405.1</b>	<b>415.3</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	104.3	104.9	104.9	107.5	107.5
Interagency Receipts	51015	140.4	0.0	0.0	0.0	0.0
Statutory Designated Program Receipts	51063	0.6	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>245.3</b>	<b>104.9</b>	<b>104.9</b>	<b>107.5</b>	<b>107.5</b>
<b>Total Estimated Revenues</b>		<b>245.3</b>	<b>104.9</b>	<b>104.9</b>	<b>107.5</b>	<b>107.5</b>

## Office of the Commissioner

## Proposed Changes in Levels of Service for FY2003

No significant changes in levels of service are anticipated.

## Summary of Component Budget Changes

## From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>300.2</b>	<b>104.9</b>	<b>0.0</b>	<b>405.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	7.6	2.6	0.0	10.2
<b>FY2003 Governor</b>	<b>307.8</b>	<b>107.5</b>	<b>0.0</b>	<b>415.3</b>

## Office of the Commissioner

## Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	5	5	Annual Salaries	280,230
Part-time	0	0	COLA	8,692
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	89,530
			<i>Less 6.62% Vacancy Factor</i>	(25,052)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>353,400</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	1	0	0	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary III	1	0	0	0	1
Paralegal Asst II	0	0	1	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>5</b>



## **Component: Administrative Services**

**Contact: Barbara Frank, Director**

**Tel:** (907) 465-5256 **Fax:** (907) 465-5097 **E-mail:** BFrank@envircon.state.ak.us

### **Component Mission**

Provide support services to departmental programs.

### **Component Services Provided**

- Provide support services to customers and clients of the department, other agencies, the legislature and individual department employees.
- Develop and implement sound administrative policies and practices for the department.
- Provide timely and accurate information by answering public inquiries and requests for information.

### **Component Goals and Strategies**

#### **1) INCREASE EMPHASIS ON PREVENTATIVE MEASURES TO DECREASE EMERGENCY RESPONSE CRISIS MANAGEMENT.**

- Actively participate as a value-adding business partner providing solutions and services in support of our programs' and customers' missions and changing needs.
- Be aware of and seek out useful technologies.
- Have policies and procedures, "how-to" fact sheets, and training support.
- Increase customer focus and responsiveness through up-front consultations.
- Provide clear expectations and open two-way communication.

#### **2) FACILITATE CHANGE AND INNOVATION IN DEPARTMENT OPERATIONS.**

- Delegate authority to the appropriate lowest level, reducing duplicative and unnecessary reviews.
- Support good business decisions.
- Support a team-based approach to problem solving.
- Invite user input into the decision-making process.
- Encourage personnel development through training and improved communication to achieve the highest level of excellence in public service.

### **Key Component Issues for FY2002 – 2003**

The department is evolving from a strictly regulatory agency to one where citizens and stakeholders are involved partners. An organizational effectiveness program has been established to provide managers with a framework for making decisions based on our organization's mission, strategic plan, performance measures and vision. The program includes 1) development of a structured process for environmental problem solving, ensuring a focused investment of limited public resources toward activities that matter and that yield direct environmental or health improvement; 2) development of innovative training tools that improve personal leadership and organizational effectiveness; and 3) development of a structured process for employee mentoring and succession planning.

### **Major Component Accomplishments in 2001**

Administrative Services acquired a billing and timetracking system. Two major department fee programs have successfully made the transition to this new system. This is the first step in a departmental effort to bring uniformity to our time tracking and billing processes. It meets the intentions of the legislature in passage of HB 361.

Administrative Services delivered two service improvement training programs for department staff. Vision Based Leadership was the next step in the series of Human Resources training which is offered in our goal to recruit, retain and reward quality employees who deliver the department's mission and vision. The training provided attendees with real examples of leadership within the department; suggested tools for effective leadership; and incorporated both practical

and conceptual materials. The second training was issues management focusing on the movement and changes in environmental management. For example, turning from productivity or output measures to environmental quality measures; encouraging pollution prevention rather than relying solely on pollution prosecution; and moving from incident or site based analysis to pattern or area-wide analysis. It focused on risk management and problem solving approaches including problem solving and risk control procedures, stages, and infrastructure.

### **Statutory and Regulatory Authority**

AS 46.03.010; AS 46.08.040; AS 46.08.050

## Administrative Services

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,704.8	2,519.2	2,587.4
72000 Travel	99.9	35.9	35.9
73000 Contractual	2,970.2	449.8	449.8
74000 Supplies	146.7	25.0	25.0
75000 Equipment	147.3	14.0	14.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>6,068.9</b>	<b>3,043.9</b>	<b>3,112.1</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	933.5	892.5	912.5
1003 General Fund Match	136.6	138.1	141.2
1004 General Fund Receipts	784.0	667.7	682.6
1007 Inter-Agency Receipts	2,858.7	89.2	91.2
1052 Oil/Hazardous Response Fund	1,087.0	996.3	1,156.4
1053 Investment Loss Trust Fund	8.0	0.0	0.0
1061 Capital Improvement Project Receipts	29.2	29.3	30.0
1079 Storage Tank Assistance Fund	134.5	134.8	0.0
1093 Clean Air Protection Fund	95.7	96.0	98.2
1108 Statutory Designated Program Receipts	1.7	0.0	0.0
<b>Funding Totals</b>	<b>6,068.9</b>	<b>3,043.9</b>	<b>3,112.1</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	933.5	892.5	892.5	912.5	912.5
Interagency Receipts	51015	2,858.7	89.2	89.2	91.2	91.2
Statutory Designated Program Receipts	51063	1.7	0.0	0.0	0.0	0.0
Capital Improvement Project Receipts	51200	29.2	29.3	29.3	30.0	30.0
<b>Restricted Total</b>		<b>3,823.1</b>	<b>1,011.0</b>	<b>1,011.0</b>	<b>1,033.7</b>	<b>1,033.7</b>
<b>Total Estimated Revenues</b>		<b>3,823.1</b>	<b>1,011.0</b>	<b>1,011.0</b>	<b>1,033.7</b>	<b>1,033.7</b>

**Administrative Services****Proposed Changes in Levels of Service for FY2003**

No significant changes in levels of service are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>805.8</b>	<b>892.5</b>	<b>1,345.6</b>	<b>3,043.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	18.0	20.0	30.2	68.2
<b>FY2003 Governor</b>	<b>823.8</b>	<b>912.5</b>	<b>1,375.8</b>	<b>3,112.1</b>

**Administrative Services****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b>FY2002</b>	<b>FY2003</b>		
	<b>Authorized</b>	<b>Governor</b>		
Full-time	44	44	Annual Salaries	1,990,807
Part-time	0	0	COLA	53,366
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	704,089
			<i>Less 5.85% Vacancy Factor</i>	(160,862)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>44</b>	<b>44</b>	<b>Total Personal Services</b>	<b>2,587,400</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Accountant II	0	0	1	0	1
Accountant III	0	0	2	0	2
Accountant V	0	0	1	0	1
Accounting Clerk I	1	0	0	0	1
Accounting Clerk II	0	0	3	0	3
Accounting Spvr I	0	0	1	0	1
Accounting Tech I	1	0	0	0	1
Accounting Tech II	0	0	2	0	2
Accounting Tech III	0	0	3	0	3
Administrative Assistant	0	1	1	0	2
Administrative Manager I	1	0	0	0	1
Administrative Manager III	0	0	1	0	1
Administrative Svcs Mgr	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Data Processing Mgr I	0	0	1	0	1
Division Director	0	0	1	0	1
Human Resources Mgr III	0	0	1	0	1
Micro/Network Spec II	1	1	1	0	3
Micro/Network Tech II	1	0	1	0	2
Outreach Administrator	1	0	0	0	1
Personnel Asst I	0	0	2	0	2
Personnel Officer I	1	0	1	0	2
Personnel Specialist I	0	0	2	0	2
Policy and Program Specialist	0	0	1	0	1
Procurement Spec II	1	0	1	0	2
Program Budget AnalystII	0	0	1	0	1
Program Budget AnalystIV	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Supply Technician I	0	0	1	0	1
<b>Totals</b>	<b>8</b>	<b>2</b>	<b>34</b>	<b>0</b>	<b>44</b>

**Component: Exxon Restoration**

**Contact: Michele Brown, Commissioner**

**Tel:** (907) 269-7633 **Fax:** (907) 269-7654 **E-mail:** MBrown@envircon.state.ak.us

**Component Mission**

Not applicable

**Component Services Provided**

Exxon Valdez Settlement funding has declined steadily over the last several years as the restoration activities come to a close. Reduced funding no longer warrants maintaining a separate component. Two transactions are being proposed which will delete the component, a transfer and a decrement. A staff position and funding to facilitate program closeout are being transferred to the Air and Water Quality Director's Office and the remaining authorization decreased.

**Component Goals and Strategies**

Not applicable

**Key Component Issues for FY2002 – 2003**

Not applicable

**Major Component Accomplishments in 2001**

Not applicable

**Statutory and Regulatory Authority**

AS 46.03.010; AS 37.14.400-500

## Exxon Restoration

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	40.6	83.5	0.0
72000 Travel	2.4	10.0	0.0
73000 Contractual	17.4	537.8	0.0
74000 Supplies	0.8	1.5	0.0
75000 Equipment	4.2	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>65.4</b>	<b>632.8</b>	<b>0.0</b>
<b>Funding Sources:</b>			
1018 Exxon Valdez Oil Spill Settlement	65.4	632.8	0.0
<b>Funding Totals</b>	<b>65.4</b>	<b>632.8</b>	<b>0.0</b>

**Exxon Restoration****Proposed Changes in Levels of Service for FY2003**

Exxon Valdez Settlement funding has declined steadily over the last several years as the restoration activities come to a close. Reduced funding no longer warrants maintaining a separate component. Two transactions are being proposed which will delete the component, a transfer and a decrement. A staff position and funding to facilitate program closeout are being transferred to the Air and Water Quality Director's Office and the remaining authorization decreased.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>632.8</b>	<b>632.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer to AWQ Director	0.0	0.0	-13.2	-13.2
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	2.7	2.7
<b>Proposed budget decreases:</b>				
-Closeout Component	0.0	0.0	-622.3	-622.3
<b>FY2003 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



## Exxon Restoration

## Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	1	0	Annual Salaries	0
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	0
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>1</b>	<b>0</b>	<b>Total Personal Services</b>	<b>0</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **Environmental Health Budget Request Unit**

**Contact: Janice Adair, Director**

**Tel:** (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice\_Adair@envircon.state.ak.us

### **BRU Mission**

Protect consumers from food-and water-borne illness.

### **BRU Services Provided**

Safe water, safe food and healthy communities through:

- permitting and approvals;
- inspections and compliance assistance; and
- public education and outreach.

### **BRU Goals and Strategies**

#### **1) SAFE WATER**

- Work with owners and operators of public drinking water systems to ensure they provide drinking water that meets established health standards.
- In collaboration with the engineering community, implement appropriate design and maintenance standards for domestic wastewater systems so they can successfully treat sewage over time with proper routine maintenance.
- Certify commercial and municipal laboratories so they can accurately test the safety of the water produced by public drinking water systems for compliance with established health standards.
- Work with public water system operators to comply with the dizzying array of federal rules for public water systems, including source water assessments and consumer confidence reporting.

#### **2) SAFE FOOD**

- In support of Alaska's food and hospitality industries, implement a credible inspection and monitoring program that is protective of public health for seafood processors, shellfish growers, other Alaska-based food manufacturers, and food service operators.
- Conduct outreach efforts with industry and consumers on food safety hazards including how they can be controlled or otherwise managed.
- Monitor Alaska's wild seafood resources for the presence of selected persistent bioaccumulative toxins (PBTs).

#### **3) HEALTHY COMMUNITIES**

- Protect public health and property values by improving the way solid waste is managed statewide with an increasing emphasis on field inspections, technical assistance, and regional planning.
- Implement improved sanitation standards for tattoo, body piercing, and permanent coloring cosmetic shops.
- Protect children's environmental health by implementing pesticide notification and posting requirements at public schools, updating sanitation requirements for public day care facilities, and working with public schools to improve compliance with drinking water monitoring requirements.

### **Key BRU Issues for FY2002 – 2003**

The Division of Environmental Health deals with the most basic environmental health programs - food, water, sewage, and garbage. Adequate laboratory capacity to test food for the presence of biological or chemical contaminants and to certify private laboratories for accurate testing of public water supplies for these same substances is a critical component of the state's public health infrastructure.

Replacing the existing Seafood and Food Safety Laboratory with a new facility in Anchorage that meets the safety standards for a modern laboratory continues to be the top priority for this BRU. In the FY2002 capital budget, the Legislature appropriated 1.3 million in state general funds to design the new facility. The Department of Transportation awarded the design contract and that work has begun. In FY2003, consistent with language included in the FY2002 capital budget, additional funding will be sought for construction of the facility.

## Major BRU Accomplishments in 2001

- Began rebuilding the Food Safety and Sanitation Program, reopening the Dutch Harbor and Nome offices.
- Developed the Wild Seafood Monitoring Project, which will test various fish species from around the state for the presence of selected persistent bioaccumulative toxins.
- Obtained EPA approval of State's Capacity Development Program for existing drinking water systems, complimenting EPA's previous approval of our Capacity Development Program for new systems.
- Changed food inspections to Risk Focused inspections, and received a small grant from the U.S. Food and Drug Administration to develop an interactive training CD for inspectors that will be distributed nationally.
- In partnership with regional health corporations and the Alaska Chapter of the Solid Waste Association of North America (SWANA), held four regional training sessions for rural landfill operators and community leaders.
- Adopted regulations that will protect children from unintended consequences of pesticide use by requiring public schools provide parents with notice before certain pesticides are used and post the treated areas.
- Developed an interactive training CD for homeowners on the installation, inspection, and maintenance of onsite septic systems.

## Key Performance Measures for FY2003

### Measure:

The change in cost per (A) permitted facility; and (B) nonpermitted facility.  
Sec 63 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

Ensure fees paid by permitted facilities do not subsidize work done for unpermitted facilities.

#### Solid Waste Management

- Permitted Facility Cost - 4,087/facility
- Unpermitted Facility Cost - 645/facility

#### Food Safety and Sanitation

- Permitted Facility Cost - 285/facility
- Unpermitted Facility Cost - 196/facility

### Benchmark Comparisons:

External comparisons not available.

### Background and Strategies:

Most solid waste facilities are required by state law to have a permit therefore as we continue to work towards ensuring all such facilities have a permit or an acceptable alternative to a permit (another of our performance measures), the benchmark should be met.

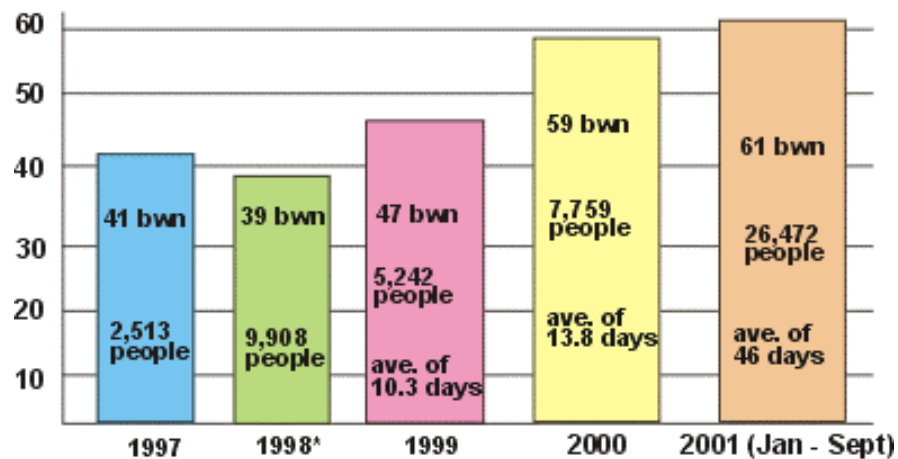
The Food Safety and Sanitation Program will have more difficulty in meeting the benchmark. Many of the facilities regulated by it for public health purposes do not pay fees because the department does not have fee authority for facilities regulated under AS 44.46.020(5), which includes day care centers, adult residential facilities, and pools and spas. In addition, schools are specifically exempted from paying fees for food inspections. This means that general funds, which have decreased over the past several years, must cover the costs of providing these important environmental health services to these facilities, the number of which continue to increase.

### Measure:

The number of "boil water" notices issued, the population affected, and the duration for the year.  
Sec 63 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

A decrease in the number of Boil Water Notices issued, population affected, and duration of the notice.



In the first three-quarters of calendar year 2001, we have seen an increase in the population affected due to three large systems having short term notices (e.g. Eielson Air Force Base with a population of 9,046 had a BWN that lasted two days). The average length of the boil water notices also increased because several were in effect for most of the reporting period.

#### Benchmark Comparisons:

External comparisons not available.

#### Background and Strategies:

Boil water notices are issued when public water supplies exceed the public health standards for fecal coliform. Fecal coliform indicates a water system is being contaminated by sewage. Testing for fecal coliform is the most routine testing done by public water systems and the least expensive. 85% of the compliance sampling done by public water systems is for fecal coliform. The longer it takes the public water system to bring the water into public health compliance, the longer the requirement to boil the water will last.

To decrease the number of Boil Water Notices, their duration, and the population affected the department will

- work with engineers and others to ensure domestic wastewater systems are properly designed and installed;
- work with property owners and utility managers to ensure domestic wastewater systems are properly maintained;
- work with public water systems and the Division of Facilities, Construction and Operation to ensure water system operators are properly trained for the collection of water samples; and
- work with public water system operators to ensure the disinfection methods for the water system are appropriate and properly functioning.

#### Measure:

The percentage of sanitary surveys that result in significant compliance violations.

Sec 63 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:

Yearly percent decrease (with a target of 10% for 2001, and 5% for 2002) in sanitary surveys that identify significant deficiencies. (It is important to note that "compliance violations" and "significant deficiencies" are not the same thing. A significant deficiency can result in many compliance violations over the years if the deficiency is not corrected; however, a deficiency does not immediately or automatically result in a compliance violation.)

During the first 3 quarters of this calendar year, 11% of the surveys completed found significant deficiencies. Tracking this measure is relatively new (began in April, 2000) so we do not have similar data from last calendar year with which we can compare.

#### Benchmark Comparisons:

External comparisons not available.

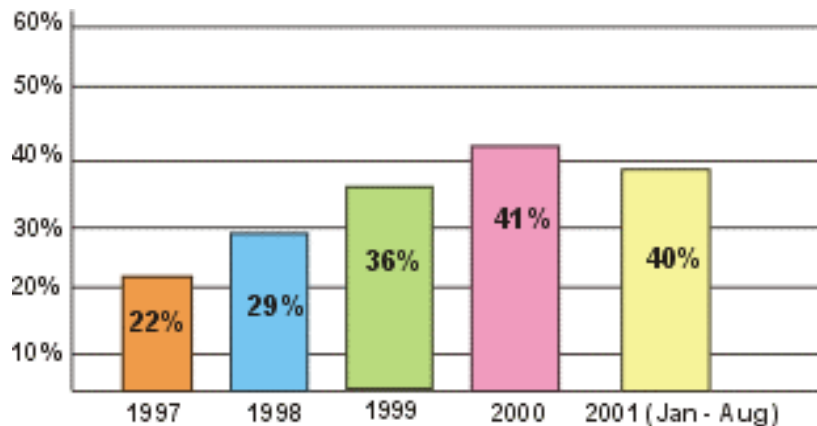
A sanitary survey is required of all public water systems that are federally regulated under the Total Coliform Rule and the Interim Enhanced Surface Water Treatment Rule. It is a general inspection of the system where the surveyor reviews how the system is operated, how well the owner of the system is keeping records, how well the system is managed, if the operator has the correct level of certification for the system, and the overall integrity of the infrastructure of the system. A sanitary survey can discover a wide range of violations from paperwork violations that may not present a threat to public health, such as reporting and record keeping violations, to violations that would directly impact public health such as having a sink drain plumbed into a treated water storage tank. This performance measure seeks to decrease the number of violations that may be a threat to public health. We want to focus on increasing education of the public water system owner, which should result in a decrease in deficiencies, some of which may have a significant public health effect. We also plan to focus on the quality of sanitary surveys to ensure significant deficiencies are identified. In addition, we will

- provide routine monitoring and reporting requirements to public water system owners through the use of the DW/WW Program's newsletter – "Northern Flows", fact sheets, annual monitoring summaries, and workshops;
- work with system owners and operators along with the Division of Facilities Construction and Operation to ensure that each public water system is under the supervision of a certified operator;
- provide assistance to public water system operators and owners, directly and through the Remote Maintenance Worker program, the National Rural Water Association, and the Alaska Water and Wastewater Management Association on how the water treatment process works, management issues, and system maintenance needs;
- provide information annually to the Division of Facilities Construction and Operation on the infrastructure needs of individual public water systems; and
- provide assistance for sanitary survey training classes that ensure that the owner, operator, and the surveyor are up to date on all the regulations and are able to determine when a deficiency is a threat to public health.

#### Measure:

The percentage of landfills with a permit or an alternative to a permit.  
Sec 63 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:



Percent increase of landfills with a permit or an alternative to a permit.

From January to August 2001, 108 active municipal landfill sites out of 271 (40%) had a current permit or an acceptable alternative. The reason that the percentage has gone down slightly since 2000 is not that the number of permits or alternatives have decreased, but rather that the number of active sites has increased. This increase is due to new landfill permit applications as well as a few existing sites being captured in the database for the first time.

#### Benchmark Comparisons:

External comparisons not available.

#### Background and Strategies:

Alaskans generate about 1,300 tons of household garbage each day, nearly twice the national average per person. 78% is disposed of in landfills; 15% is incinerated; and 7% is recycled. DEC regulates 481 landfills: 210 are non-municipal (industrial) facilities that handle materials like drilling wastes, mine tailings, and construction wastes; 271 are municipal landfills, of which 10 serve large communities; 21 service medium-sized towns; 45 serve industrial or government camps; and 195 serve small villages. AS 46.03.100 requires that anyone who conducts an operation that results in the disposal of solid waste into the waters or onto the land of the state have a permit.

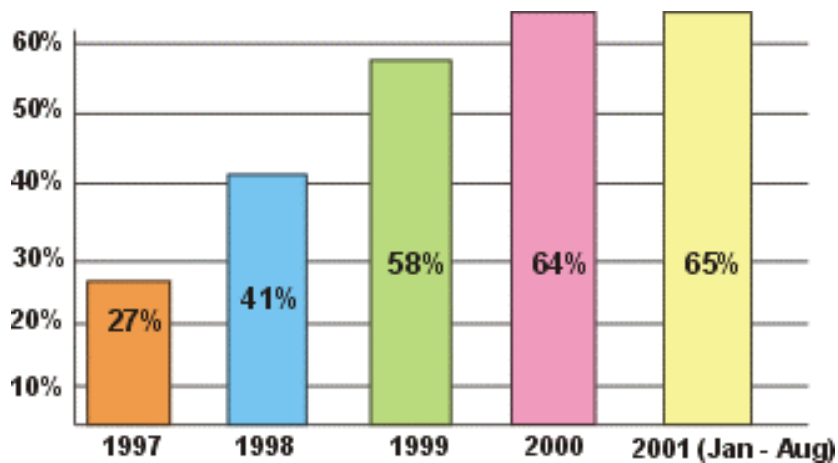
In order to increase the percentage of landfills with a permit and an alternative to a permit, we will

- develop general permits for landfills that serve small camps and villages (Class 3 landfills);
- significantly streamline permitting process in-house through developing standard permit formats and language and reducing the detail in the permit document, relying instead on the language of the regulation and the permit application; and
- develop permits-by-rule.

#### Measure:

The percentage of landfills with an inspection score of 80 or higher.  
Sec 63 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:



Increase in the percent of landfills inspected, and percent increase of landfills with an inspection score of 80 or higher.

From January to August 2001, we had inspected 23% of the permitted municipal landfills and 88% of those permitted sites had a score of 80 or higher. When we include both permitted and unpermitted sites inspected, 65% of the facilities inspected had a score of 80 or higher. Only 39% of the Class 3 community landfills (permitted or unpermitted) that were inspected had a score of 80 or higher. Class 3 landfills are those that accept less than an annual average of 5 tons of waste daily or less than one ton of incinerator ash. Generally, Class 3 landfills are in more rural areas of the state.

#### Benchmark Comparisons:

External comparisons not available.

#### Background and Strategies:

Landfill facilities are inspected to determine if they are disposing of their wastes in a manner that is protective of public health as outlined in their permits and the department's solid waste regulations. The higher the inspection score, the better the waste disposal practices by the landfill operator.

The greatest number of compliance problems continue to be found at Class 3 community landfills. In order to improve waste management in these communities, we need to further increase our field presence and find additional strategies to effect long-term improvements at these sites.

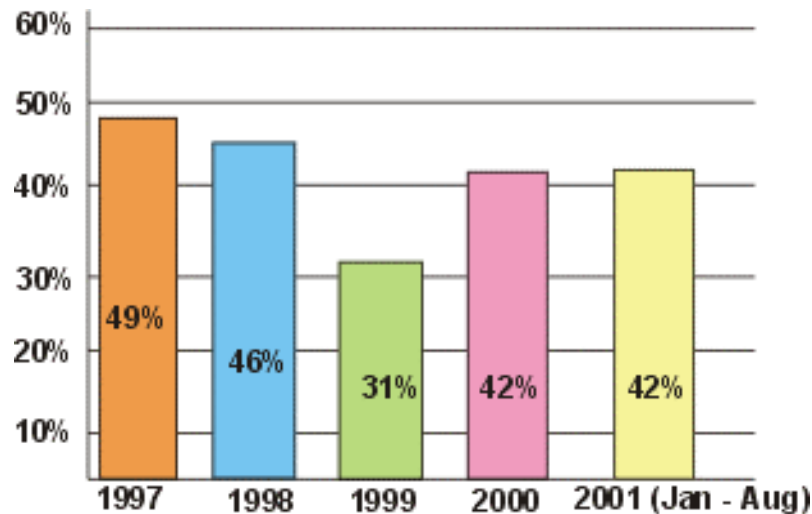
In order to accomplish this goal, we will

- streamline permitting to free up staff for field work, including technical assistance visits and inspections with a target of inspecting 25 - 35% of all permitted landfills annually;
- provide solid waste training to operators with an emphasis on rural landfill operations;
- increase our focus on solid waste handling options with communities; and
- increase the percentage of Class 3 community landfills that are inspected, and decrease the percentage of Class 1 and Class 2 community landfill inspections except for those facilities with compliance problems.

**Measure:**

The number of critical violations affecting food safety.  
Sec 63 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**



Percent decrease in critical violations that affect food safety and wholesomeness.

During the 3rd quarter of 2001, the program initiated a "Risk Focused" inspection at food service establishments. The emphasis of this type of inspection is on identifying and controlling the processes and procedures that contribute to food borne illness. These are considered critical items. It is anticipated that the incidence of critical violations will continue to go up as risk focused inspections are implemented at other types of food establishments, such as retail markets and food processors. Then, as the industry and program gain control of these risk factors, the incidences should begin to stabilize and then ultimately decrease.

These figures do not include seafood processor inspections. The seafood program's database is being redesigned to collect this for future reporting.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

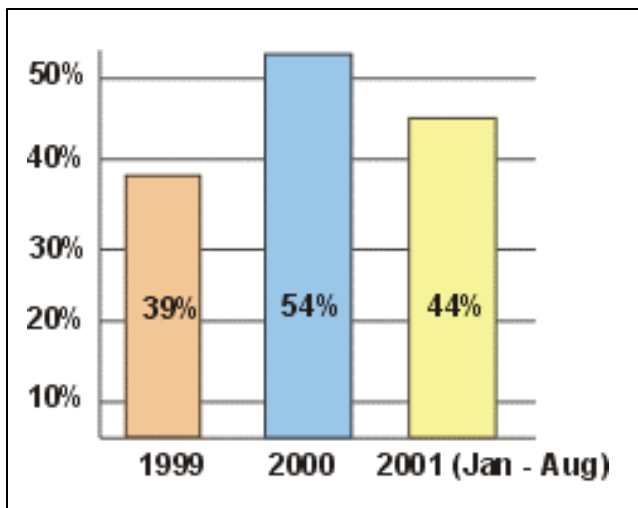
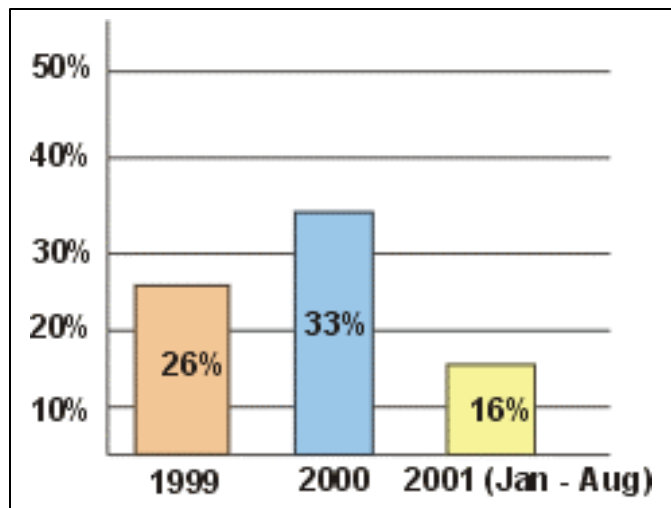
Critical violations occur when an operator is not in compliance with state food rules in a manner that can result in a foodborne illness. They include such things as serving shellfish from unapproved areas, not separating raw foods from cooked foods, and employees that do not wash their hands after using the restroom. Because foodborne illness is notoriously underreported, often passed off as the "stomach flu" (which doesn't exist), we use critical violations as a means to measure the likelihood of a foodborne illness occurring.

In order to reduce the occurrence of critical violations, we should

- inspect operations according to the public health risks they pose based on the type of food, preparation, or processing;
- focus on critical items during routine inspections;
- provide training to operators in order to have an educated workforce in food industry regarding food safety issues; and
- conduct outreach efforts with the food industry such as direct mailings and posting contemporary food safety issues on our website.

**Measure:**

The percentage of facilities inspected according to risk-based inspection frequency.  
Sec 63 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:****Food Facilities****Public Facilities**

Inspect high-risk operations at least once per year.

By the end of the August 2001, 34% of all food operations had been inspected at least once; 75% of the inspections were performed at higher risk level operations. 44% of all higher risk food operations have been inspected at least once.

During this same time, 5% of all public facilities were inspected at least once, and 93% of the inspections were performed at higher risk facilities. 16% of all higher risk public facilities have been inspected at least once. Only 32% of all public facilities are ranked as higher risk facilities.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

The primary goal of a sanitation inspection program, whether for food operations or public facilities such as pools, spas, and day-care centers, is to protect the public from diseases that can be spread in those operations because of poor sanitation. This goal is best achieved with regular inspections, the frequency of which is based upon the public health risks posed by the particular operation. Inspections allow the department to interact with facility operators to identify and correct conditions that could lead to a public health outbreak before an outbreak occurs.



In order to ensure the best use of the department's resources, a risk-based inspection frequency protocol was developed and implemented three years ago. The protocol takes into account the type of food, the population served, the type of process or handling, and the likelihood that physical, microbial, or chemical hazards will be present.

In order to increase the percentage of higher risk operations that are inspected at least once per year, we will

- cross-train our inspection staff so all are able to proficiently inspect all types of food operations, including seafood processors;
- reduce the number of inspections performed at lower risk facilities unless done under contract with the U.S. Food and Drug Administration; and
- find ways to reduce the amount of time inspection staff must spend in the office.

**Environmental Health**  
**BRU Financial Summary by Component**

*All dollars in thousands*

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula</b>												
<b>Expenditures</b>												
None.												
<b>Non-Formula</b>												
<b>Expenditures</b>												
Environmental Health Director	185.3	0.0	1.5	186.8	265.8	0.0	0.0	265.8	447.8	0.0	0.0	447.8
Food Safety & Sanitation	2,471.9	185.6	304.6	2,962.1	2,849.5	505.0	177.6	3,532.1	3,177.7	513.9	227.7	3,919.3
Laboratory Services	1,309.4	407.4	200.3	1,917.1	1,382.5	584.1	195.5	2,162.1	1,409.0	572.6	197.0	2,178.6
Drinking Water	1,324.4	2,122.8	24.2	3,471.4	1,538.6	2,389.5	0.0	3,928.1	1,723.2	2,605.7	0.0	4,328.9
Solid Waste Management	893.7	16.7	21.4	931.8	1,153.4	27.0	32.5	1,212.9	1,171.2	27.3	0.0	1,198.5
<b>Totals</b>	<b>6,184.7</b>	<b>2,732.5</b>	<b>552.0</b>	<b>9,469.2</b>	<b>7,189.8</b>	<b>3,505.6</b>	<b>405.6</b>	<b>11,101.0</b>	<b>7,928.9</b>	<b>3,719.5</b>	<b>424.7</b>	<b>12,073.1</b>

## Environmental Health

### Proposed Changes in Levels of Service for FY2003

In the Director's Office component, we are requesting a general fund increment of 175.0, including one full time position, to fully implement needed improvements in all division programs to address critical children's environmental health needs. Since 1997, there have been 747 drinking water violations in our public schools, the majority of which were for failure to test the water for bacteria. Since the year welfare reform began, the number of children who spend some portion of their day in child care has increased greatly, yet the division's child care sanitation regulations have not been updated since 1982. Once new regulations are proposed, significant outreach with child care operators will be needed in order to ensure the proposals are reasonable. Once the changes are adopted, it will be necessary to offer technical assistance to work with child care providers to ensure their facilities are safe for the children in their care. This increment will also allow the department to work with other state agencies on children's environmental health issues to ensure a coordinated effort is developed; to monitor national children's health initiatives and legislation for applicability in Alaska; and to develop and distribute training tools for child care centers and schools on relevant topics (food service, drinking water, pesticide use, indoor air quality, and wastewater).

The Drinking Water component is requesting an increment of 309.8, half of which is federal funds, to clear the backlog in several critical areas in the Drinking Water Program including the large number of water systems that are out of compliance with the microbiological testing rules, completion of sanitary surveys, and completion of the "ground water under the direct influence of surface water" determinations. Four new positions are being requested to work with owners and operators of water systems to come into and stay in compliance in these three areas, which EPA has determined threatens the safety and reliability of water supplies in many Alaskan communities.

In order to continue testing Alaska's wild seafood resources for contaminants of public health and public relations concerns, we are requesting a 324.0 increment in the Food Safety and Sanitation component, the funding is comprised of 274.0 in general funds and 50.0 in inter-agency receipts. The department will work with DHSS, ASMI, and ADFG to test a variety of fish species from all areas of the state, building a publicly accessible database that will, in the short term, provide answers regarding the presence of certain persistent bioaccumulative toxins (PBTs) such as heavy metals, dioxins, PCBs, and pesticides. In the long term, we will have trend data that will be used to determine if there are any contaminant levels that are increasing, allowing the state to take appropriate steps to prevent our wild seafood from being negatively impacted. Two full time and one part time positions are included in this request.

Due to the passage of HB 361 in 2000, the Solid Waste Management component will see the following changes as authorized by the fiscal note approved with the legislation:

- a fund source switch from program receipts to general funds of 230.4;
- line item transfers from the contractual line totaling 49.2 (43.2 to personal services; 5.0 to travel; and 1.0 to supplies);
- a decrement in the contractual line of 33.5; and
- the addition of one new position to track time, costs and other information required for the continued refinement of fees charged by the program as required by the legislation.

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 - 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.

- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil and gas protection increment funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, Statewide Public Service and Environmental Health. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning and Design Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline its programs.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

#### Inspection, Monitoring and Compliance

DEC will:

- open a staffed North Slope office.

Solid Waste Management in Environmental Health will:

- provide ongoing oversight, inspection, and monitoring of inactive reserve pits that are undergoing closure or corrective action. While to date 414 sites have been approved for closure, about 130 sites will need extensive corrective action.

**Environmental Health**  
**Summary of BRU Budget Changes by Component**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>7,189.8</b>	<b>3,505.6</b>	<b>405.6</b>	<b>11,101.0</b>
<b>Adjustments which will continue current level of service:</b>				
-Environmental Health Director	7.0	0.0	0.0	7.0
-Food Safety & Sanitation	54.2	8.9	0.1	63.2
-Laboratory Services	26.5	-11.5	1.5	16.5
-Drinking Water	29.7	61.3	0.0	91.0
-Solid Waste Management	18.8	0.3	0.0	19.1
<b>Proposed budget decreases:</b>				
-Solid Waste Management	-1.0	0.0	-32.5	-33.5
<b>Proposed budget increases:</b>				
-Environmental Health Director	175.0	0.0	0.0	175.0
-Food Safety & Sanitation	274.0	0.0	50.0	324.0
-Drinking Water	154.9	154.9	0.0	309.8
<b>FY2003 Governor</b>	<b>7,928.9</b>	<b>3,719.5</b>	<b>424.7</b>	<b>12,073.1</b>

## **Component: Environmental Health Director**

**Contact: Janice Adair, Director**

**Tel:** (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice\_Adair@envircon.state.ak.us

### **Component Mission**

Provide effective management and leadership for all Environmental Health programs and services.

### **Component Services Provided**

- Oversee all regulation projects, ensuring regulations are logically presented, rational, and understandable.
- Work with Program Managers and staff to make and implement timely and well-reasoned decisions.
- Provide effective oversight of use and allocation of division's resources.

### **Component Goals and Strategies**

#### **1) INCREASE CUSTOMER SATISFACTION IN SERVICES PROVIDED.**

- Continue working with various advisory groups: Drinking Water Capacity Advisory Board, Municipal Solid Waste Committee, Food Advisory Committee, Alaska Food Coalition, Technical Review Board, and Alaska Seafood Processors Advisory Council.
- Continue making divisional databases compatible so information about facilities or operations can be easily shared between programs and with the public.
- Analyze complaints and issues of noncompliance to determine if there are commonalities we must address internally and/or holistically to resolve the root problems.

#### **2) CONTINUE TO INCREASE EFFICIENCIES AND REDUCE COSTS.**

- Continue to cross train staff to reduce travel costs.
- Prioritize workload based on public health and environmental risks of the operation.
- Continue to refine how we inform the public on their role in public health protection and environmental management including strategies to increase use of the division's web pages.
- Work with programs to organize the division's work around common problems that can be better solved collectively instead of program-by-program, such as children's environmental health issues.

### **Key Component Issues for FY2002 – 2003**

As part of a Wild Food Safety initiative to look at Alaska's wild food resources that are used commercially, we developed a Wild Seafood Monitoring Project to test a variety of Alaska's fish resources from around the state for the presence of certain persistent bioaccumulative toxins (PBTs). This is a one-year project for FY2002, however, the need for this information becomes more critical every day and is expected to continue. For example, in October, the Alaska Seafood Marketing Institute was asked to provide documentation for Japanese buyers to prove that Alaska's wild seafood is safe and not exposed to contamination.

Pound for pound, children breathe more air, drink more water, and eat more food than adults. In addition, children's immune systems, reproductive organs and nervous systems are still in the process of developing. During this development, exposure to substances that may only have a temporary ill effect on an adult can cause enduring damage to a child. In recognition of this, we assessed our programs for how well they protect children's environmental health and identified a variety of needed improvements. Over the next two years, we will begin to make the improvements we can, but outreach to and coordination with child care providers and other state and federal agencies will be critical to long term success.

### **Major Component Accomplishments in 2001**

Fully delegated the domestic wastewater program, except for installer certification, to the City of Valdez.

Continued to make improvements to the division's regulations and internal work processes.

Obtained top rated risk communication training for most division staff.

### **Statutory and Regulatory Authority**

AS 03.05, AS 03.45, AS 03.58, AS 17.05, AS 17.07, AS 17.20, AS 18.35, AS 44.46.020-025, AS 46.03.101, AS 46.03.120, AS 46.03.320-330, AS 46.03.710-730, AS 46.03.900, AS 46.05, 18 AAC 15, 18 AAC 23, 18 AAC 30, 18 AAC 31, 18 AAC 32, 18 AAC 34, 18 AAC 55, 18 AAC 60, 18 AAC 72, 18 AAC 80, 18 AAC 90

## Environmental Health Director

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	136.9	248.2	324.2
72000 Travel	10.3	6.3	13.3
73000 Contractual	22.3	8.2	97.2
74000 Supplies	7.8	1.9	4.4
75000 Equipment	9.5	1.2	8.7
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>186.8</b>	<b>265.8</b>	<b>447.8</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	185.3	265.8	447.8
1053 Investment Loss Trust Fund	1.1	0.0	0.0
1108 Statutory Designated Program Receipts	0.4	0.0	0.0
<b>Funding Totals</b>	<b>186.8</b>	<b>265.8</b>	<b>447.8</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Statutory Designated Program Receipts	51063	0.4	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



## Environmental Health Director

### Proposed Changes in Levels of Service for FY2003

With a general fund increment of 175.0, including one full time position, the division will fully implement needed improvements in all division programs to address critical children's environmental health needs. Since 1997, there have been 747 drinking water violations in our public schools, the majority of which were for failure to test the water for bacteria. Since the year welfare reform began, the number of children who spend some portion of their day in child care has increased greatly, yet the division's child care sanitation regulations have not been updated since 1982. Once new regulations are proposed, significant outreach with child care operators will be needed in order to ensure the proposals are reasonable. Once the changes are adopted, it will be necessary to offer technical assistance to work with child care providers to ensure their facilities are safe for the children in their care. This increment will also allow the department to work with other state agencies on children's environmental health issues to ensure a coordinated effort is developed; to monitor national children's health initiatives and legislation for applicability in Alaska; and to develop and distribute training tools for child care centers and schools on relevant topics (food service, drinking water, pesticide use, indoor air quality, and wastewater).

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>265.8</b>	<b>0.0</b>	<b>0.0</b>	<b>265.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	7.0	0.0	0.0	7.0
<b>Proposed budget increases:</b>				
-Children's Environmental Health Initiative	175.0	0.0	0.0	175.0
<b>FY2003 Governor</b>	<b>447.8</b>	<b>0.0</b>	<b>0.0</b>	<b>447.8</b>

**Environmental Health Director****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b><u>FY2002</u></b>	<b><u>FY2003</u></b>		
	<b><u>Authorized</u></b>	<b><u>Governor</u></b>		
Full-time	4	5	Annual Salaries	242,473
Part-time	0	0	COLA	6,718
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	76,938
			<i>Less 0.59% Vacancy Factor</i>	(1,929)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>4</b>	<b>5</b>	<b>Total Personal Services</b>	<b>324,200</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Accounting Tech III	1	0	0	0	1
Administrative Svcs Mgr	1	0	0	0	1
Division Director	1	0	0	0	1
Prog Coordinator	1	0	0	0	1
Secretary	1	0	0	0	1
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

## **Component: Food Safety & Sanitation**

**Contact: Janice Adair, Director**

**Tel:** (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice\_Adair@envircon.state.ak.us

### **Component Mission**

Promote safe food processing, service and sales, and safe and sanitary public facilities.

### **Component Services Provided**

- Permit and inspect commercial food processors, service and sales operations.
- Establish public health sanitation standards for food and public facilities such as body art studios, day care centers, adult residential facilities, pools and spas, schools, and overnight accommodations.
- Provide education and outreach to the general public to help them understand their role in safe food preparation, and safe and sanitary facilities.

### **Component Goals and Strategies**

#### **1) REDUCE THE INCIDENCE OF CONFIRMED FOODBORNE ILLNESS OUTBREAKS ASSOCIATED WITH COMMERCIAL FOOD SUPPLY.**

- Conduct annual inspections of higher risk food service operations that focus on risk factors that contribute to foodborne illness.
- Work with operators on how they can decrease the occurrence of critical violations.
- Immediately respond to critical violations with appropriate action.
- Look for adulterated products during inspections to prevent their distribution.
- Provide education and outreach to industry and consumers on food safety hazards.

#### **2) SUPPORT THE MARKETABILITY OF ALASKA'S MANUFACTURED FOOD, ESPECIALLY SEAFOOD, THROUGH THE IMPLEMENTATION OF A CREDIBLE INSPECTION AND MONITORING PROGRAM FOR PROCESSORS, SHELLFISH GROWERS AND THROUGH THE USE OF HAZARD ANALYSIS CRITICAL CONTROL POINT (HACCP) PLANS.** A consistent inspection program that focuses on the control of food safety hazards is essential to both food safety and a healthy industry. HACCP consists of identifying food safety hazards that are reasonably likely to occur in a food process, creating the controls to prevent the hazard, then monitoring those controls. Monitoring of ready-to-eat products for foodborne pathogens provides feedback regarding the adequacy of the controls, and also ensures that unsafe products are removed from the marketplace.

- Provide technical assistance and training to operators to help them fully understand HACCP and basic food science.
- Work closely with FDA to resolve seafood issues raised by industry and inspection staff.
- Sample ready-to-eat seafood products for selected pathogenic organisms.
- Work with the U.S. Department of Commerce to provide export product inspections required for products to enter some countries on an after hours or voluntary overtime basis.

#### **3) CONTINUE OUTREACH EFFORTS TO INDUSTRY AND CONSUMERS ON FOOD SAFETY HAZARDS AND HOW THEY CAN BE CONTROLLED OR OTHERWISE MANAGED.**

- Provide accurate, timely and current food safety information to operators and consumers.
- Provide food safety training to food workers on a scheduled basis where other training is not offered.
- Keep Food Safety Internet site updated with educational and technical information for operators and consumer information including recalls, alerts and advisories.
- Work with Food Advisory Committee on contemporary food issues.
- Work with the National Food Processors Association and the Alaska Seafood Processors Advisory Council on seafood issues.

### **Key Component Issues for FY2002 – 2003**

This program is in the midst of rebuilding, which will continue throughout FY2002 and into FY2003. As a result of the

increment approved in FY2002, offices in Dutch Harbor and Nome are being re-established and two Environmental Health Technician positions in Fairbanks and Anchorage have been added. These additions will result in an increase in inspections of higher risk food establishments and public facilities, and of fresh/frozen seafood operations. Risk focused inspections will be implemented at all types of retail food establishments. Much like HACCP, these inspections focus on factors that contribute to foodborne illness, and involve reviewing processes and procedures to identify where these factors are likely to occur. The completion of the program's interactive database, with an electronic inspection component, will enhance field accessibility to establishment information and downloading inspection results into the database.

In addition, ensuring the public of the safety of Alaska's wild fish resources continues to be an issue. We must be able to provide assurance that Alaska's seafood has not been altered by pollution, respond to national consumption advisories, and continue to use the purity of Alaska seafood, particularly salmon and shellfish, as a major marketing advantage.

### **Major Component Accomplishments in 2001**

Adopted regulatory requirements for tattoo, body piercing, and permanent cosmetic coloring (body art) shops in response to statutory requirements included in SB 34.

Enhanced cross training and utilization of staff to optimize coverage of higher risk food establishments and public facilities, particularly seafood processors.

Implemented risk focused inspections for higher risk food service establishments and received a small grant from FDA to develop an interactive training CD for inspectors that will be distributed nationally.

Worked with the geoduck industry to approve an in-shell partially processed product that does not require lot sampling for PSP, providing them with another way to market their product.

Developed the Wild Seafood Monitoring Project, outlining the contaminants, species, and locations that need monitoring; obtained one year funding to begin the sample collection, transportation, and analyses.

### **Statutory and Regulatory Authority**

AS 03.05, AS 17.05, AS 17.07, AS 17.20, AS 18.35, AS 44.46.020-025, 18 AAC 15, 18 AAC 23, 18 AAC 30, 18 AC 31, 18 AAC 32, 18 AAC 34, 18 AAC 36

## Food Safety & Sanitation

### Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,248.4	2,773.1	2,977.3
72000 Travel	234.1	311.9	316.9
73000 Contractual	402.2	342.8	506.1
74000 Supplies	43.0	77.0	91.7
75000 Equipment	34.4	27.3	27.3
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,962.1</b>	<b>3,532.1</b>	<b>3,919.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	185.6	505.0	513.9
1003 General Fund Match	136.1	0.0	0.0
1004 General Fund Receipts	804.7	1,299.9	1,601.6
1005 General Fund/Program Receipts	1,531.1	1,549.6	1,576.1
1007 Inter-Agency Receipts	87.6	2.6	52.7
1036 Commercial Fishing Loan Fund	175.0	175.0	175.0
1053 Investment Loss Trust Fund	40.9	0.0	0.0
1108 Statutory Designated Program Receipts	1.1	0.0	0.0
<b>Funding Totals</b>	<b>2,962.1</b>	<b>3,532.1</b>	<b>3,919.3</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	185.6	505.0	505.0	513.9	513.9
Interagency Receipts	51015	87.6	2.6	2.6	52.7	52.7
General Fund Program Receipts	51060	1,531.1	1,549.6	1,549.6	1,576.1	1,576.1
Statutory Designated Program Receipts	51063	1.1	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>1,805.4</b>	<b>2,057.2</b>	<b>2,057.2</b>	<b>2,142.7</b>	<b>2,142.7</b>
<b>Total Estimated Revenues</b>		<b>1,805.4</b>	<b>2,057.2</b>	<b>2,057.2</b>	<b>2,142.7</b>	<b>2,142.7</b>

**Food Safety & Sanitation****Proposed Changes in Levels of Service for FY2003**

In order to continue testing Alaska's wild seafood resources for contaminants of public health and public relations concerns, we are requesting an increment in the Food Safety and Sanitation component of 324.0. The department will work with DHSS, ASMI, and ADFG to test a variety of fish species from all areas of the state, building a publicly accessible database that will, in the short term, provide answers regarding the presence of certain persistent bioaccumulative toxins (PBTs) such as heavy metals, dioxins, PCBs, and pesticides. In the long term, we will have trend data that will be used to determine if there are any contaminant levels that are increasing, allowing the state to take appropriate steps to prevent our wild seafood from being negatively impacted. Two full time and one part time positions are included in this request.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>2,849.5</b>	<b>505.0</b>	<b>177.6</b>	<b>3,532.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	54.2	8.9	0.1	63.2
<b>Proposed budget increases:</b>				
-Wild Food Safety - Wild Seafood Monitoring Project	274.0	0.0	50.0	324.0
<b>FY2003 Governor</b>	<b>3,177.7</b>	<b>513.9</b>	<b>227.7</b>	<b>3,919.3</b>

**Food Safety & Sanitation****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b><u>FY2002</u></b>	<b><u>FY2003</u></b>		
	<b><u>Authorized</u></b>	<b><u>Governor</u></b>		
Full-time	40	42	Annual Salaries	2,226,263
Part-time	2	3	COLA	51,230
Nonpermanent	0	0	Premium Pay	32,886
			Annual Benefits	760,590
			<i>Less 3.05% Vacancy Factor</i>	(93,669)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>42</b>	<b>45</b>	<b>Total Personal Services</b>	<b>2,977,300</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	2	0	0	0	2
Chemist II	0	0	0	1	1
Environ Conserv Mgr II	1	0	0	0	1
Environ Conserv Mgr III	1	0	0	0	1
Environmental Health Officer	8	4	3	14	29
Environmental Health Tech.	2	3	0	0	5
Laboratory Tech II	0	0	0	1	1
Prog Coordinator	1	0	0	0	1
Regulations Spec II	1	0	0	0	1
Research Analyst II	1	0	0	0	1
State Veterinarian	0	0	0	1	1
<b>Totals</b>	<b>18</b>	<b>7</b>	<b>3</b>	<b>17</b>	<b>45</b>

## **Component: Laboratory Services**

**Contact: Janice Adair, Director**

**Tel:** (907) 269-7644 **Fax:** (907) 269-7654 **E-mail:** Janice\_Adair@envircon.state.ak.us

### **Component Mission**

Promote sound laboratory practices and safe pesticide use.

### **Component Services Provided**

- Certify commercial chemical laboratories for drinking water analyses and soil remediation.
- Certify commercial and municipal microbial laboratories for drinking water analyses.
- Carry out unusual or emergency analyses of environmental samples.
- Analyze commercial food supply for chemical, microbial, and marine toxin contaminants.
- Test and approve marine waters for commercial shellfish growing as required under the National Shellfish Sanitation Program.
- Train and certify commercial pesticide applicators and applicators of restricted use pesticides.
- Monitor the sale use and storage of pesticides.
- Register all pesticides distributed in Alaska .
- Issue and monitor pesticide permits.

### **Component Goals and Strategies**

- 1) WORK WITH COMMERCIAL AND MUNICIPAL LABORATORIES TO ENSURE THEY ARE CERTIFIED TO ACCURATELY TEST PUBLIC DRINKING WATER SYSTEMS FOR COMPLIANCE WITH ESTABLISHED HEALTH STANDARDS.
  - Provide routine training and other technical assistance to commercial and municipal laboratory personnel.
  - Maintain EPA drinking water certification of the State Chemistry Laboratory for all primary and secondary regulated chemicals and the Seafood and Food Safety Laboratory for microbiological contaminants.
  - Assist commercial laboratories that fail performance evaluations to come into compliance with laboratory certification criteria.
- 2) SUPPORT THE MARKETABILITY OF FOODS PROCESSED IN ALASKA AND THE SAFETY OF FOODS SOLD IN ALASKA.
  - Work with Jellett Biotech on Phase 2 of its screening test for PSP.
  - Test ready-to-eat foods to ensure they are within the established health parameters for selected pathogenic organisms.
  - Test seafood products for heavy metals and marine toxins, such as domoic acid and PSP.
  - Work with the Department of Health and Social Services on epidemiological investigations where commercial foods or public water supplies may be the source of the outbreak.
  - Train and approve commercial dairy plants to run antibiotic residue tests as required by the federal Pasteurized Milk Ordinance.
- 3) IMPLEMENT AN EFFECTIVE PESTICIDE PROGRAM IN COMPLIANCE WITH FEDERAL REQUIREMENTS.
  - Train and certify all restricted use and commercial pesticide applicators and coordinate training activities with the Cooperative Extension Service on a monthly basis.
  - Provide technical assistance on Worker Protection Standard (WPS) requirements for greenhouse and farm workers.
  - Conduct EPA, WPS worker and handler training for those who work in pesticide treated fields or greenhouses, and for those who use pesticides on farms or in greenhouses.
  - Improve public awareness of certification criteria for pesticide applicators through newsletters and the pesticide web page.
  - Work with schools on Integrated Pest Management and the new school posting and notification requirements.
  - Protect ground water from pesticide contaminants through the pesticide registration system and the development of the pesticide management plan.



#### 4) SUPPORT OTHER STATE AND FEDERAL AGENCIES.

- Establish a proficiency testing program for the new test methods for determining compound toxicity in spilled hydrocarbons.
- Support investigations into potential sources of unknown releases through hydrocarbon fingerprinting and testing of marine waters and fish tissues.
- Work with the University of Alaska Southeast to develop joint research programs for the development of needed analytical methods for the arctic environment.
- Perform premises evaluations and testing of fresh Alaskan-grown produce to support the Department of Natural Resources, Division of Agriculture in its Pathogen Reduction Program.
- Cooperate with the U.S. Department of Agriculture to allow the exportation of Alaskan animals by testing for Brucellosis and Equine Infectious Anemia.

### **Key Component Issues for FY2002 – 2003**

Replacing the existing Food Safety Laboratory with a new facility in Anchorage that meets the safety standards for a modern laboratory continues to be the top priority for this component. In FY2002, the Legislature appropriated 1.3 million in state general funds to design the new facility. Department of Transportation awarded the design contract and the work has begun. In FY2003, consistent with language included in the FY2002 capital budget, additional funding will be sought for the construction of the facility.

### **Major Component Accomplishments in 2001**

Developed the Wild Seafood Monitoring Project, including the quality assurance program plan, which outlines the laboratory quality control aspects of the project.

Public noticed changes to the pesticide regulations requiring public schools to 1) notify parents before certain pesticides are used in the school and surrounding areas and 2) post the areas that have been treated to ensure children, who are particularly vulnerable to ill side effects from pesticides, are not exposed.

### **Statutory and Regulatory Authority**

AS 03.05, AS 03.45, AS 03.58, AS 17.05, AS 17.07, AS 17.20, AS 44.46, AS 46.03, 18 AAC 15, 18 AAC 31, 18 AAC 32, 18 AAC 34, 18 AAC 80, 18 AAC 90

## Laboratory Services

### Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,474.6	1,635.3	1,651.8
72000 Travel	30.7	47.8	47.8
73000 Contractual	226.1	282.0	282.0
74000 Supplies	133.8	136.1	136.1
75000 Equipment	51.9	60.9	60.9
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,917.1</b>	<b>2,162.1</b>	<b>2,178.6</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	407.4	584.1	572.6
1003 General Fund Match	216.2	217.7	220.7
1004 General Fund Receipts	949.1	1,018.5	1,038.7
1005 General Fund/Program Receipts	144.1	146.3	149.6
1007 Inter-Agency Receipts	10.7	20.0	20.0
1052 Oil/Hazardous Response Fund	175.1	175.5	177.0
1053 Investment Loss Trust Fund	12.4	0.0	0.0
1108 Statutory Designated Program Receipts	2.1	0.0	0.0
<b>Funding Totals</b>	<b>1,917.1</b>	<b>2,162.1</b>	<b>2,178.6</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	407.4	584.1	563.4	572.6	572.6
Interagency Receipts	51015	10.7	20.0	20.0	20.0	20.0
General Fund Program Receipts	51060	144.1	146.3	146.3	149.6	149.6
Statutory Designated Program Receipts	51063	2.1	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>564.3</b>	<b>750.4</b>	<b>729.7</b>	<b>742.2</b>	<b>742.2</b>
<b>Total Estimated Revenues</b>		<b>564.3</b>	<b>750.4</b>	<b>729.7</b>	<b>742.2</b>	<b>742.2</b>

**Laboratory Services****Proposed Changes in Levels of Service for FY2003**

No significant changes in services are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,382.5</b>	<b>584.1</b>	<b>195.5</b>	<b>2,162.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer administrative support to the Drinking Water component (ADN 1820361).	0.0	-20.7	0.0	-20.7
-Year 3 Labor Costs - Net Change from FY2002	26.5	9.2	1.5	37.2
<b>FY2003 Governor</b>	<b>1,409.0</b>	<b>572.6</b>	<b>197.0</b>	<b>2,178.6</b>

## Laboratory Services

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	28	27	Annual Salaries	1,243,767
Part-time	1	1	COLA	28,164
Nonpermanent	0	0	Premium Pay	9,253
			Annual Benefits	438,332
			Less 3.94% Vacancy Factor	(67,716)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>29</b>	<b>28</b>	<b>Total Personal Services</b>	<b>1,651,800</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	0	1	1
Administrative Clerk II	0	0	0	1	1
Administrative Clerk III	0	0	1	1	2
Chemist II	0	0	3	0	3
Chemist III	0	0	3	1	4
Chemist V	0	0	1	0	1
Environmental Microbio II	0	0	0	2	2
Environ Conserv Mgr III	0	0	0	1	1
Environmental Health Tech.	0	0	0	1	1
Environmental Lab Tech	0	0	2	3	5
Environmental Microbio I	0	0	0	2	2
Environmental Microbio III	0	0	0	2	2
Environmental Spec I	0	0	0	1	1
Environmental Spec III	0	0	0	2	2
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>18</b>	<b>28</b>

## **Component: Drinking Water**

**Contact: Janice Adair, Director**

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### **Component Mission**

Work with Alaskans to provide safe drinking water and effective affordable domestic wastewater treatment and disposal.

### **Component Services Provided**

- Ensure compliance with routine monitoring requirements for federally-established contaminant levels and develop alternative contaminant monitoring requirements through the use of monitoring waivers for public water systems.
- Review construction, installation, and operation plans for both public water and domestic wastewater systems.
- Assist public water system owners and operators in identifying the sources of their drinking water and in developing strategies to protect those sources from contamination.
- Provide technical assistance, compliance assistance, and education to the general public and to owners and operators of public water systems and domestic wastewater systems on regulatory and public health-related issues.

### **Component Goals and Strategies**

#### **1) WORK WITH OWNERS AND OPERATORS OF PUBLIC DRINKING WATER SYSTEMS TO ENSURE THEY PROVIDE DRINKING WATER THAT MEETS ESTABLISHED HEALTH STANDARDS.**

- Work with operators and owners to ensure that their systems have the financial, managerial, and technical capacity to operate in an effective and efficient manner.
- Provide technical and compliance assistance to owners and operators on the requirements of the Safe Drinking Water Act through hands-on assistance, workshops, brochures, newsletter, fact sheets, and the Internet.
- Continue completing public water system source water assessments to assist public water system owners in protecting the source of their drinking water.
- Provide data from the statewide drinking water database for both technical and compliance assistance to owners and operators of systems for their annual Consumer Confidence Reports.
- In conjunction with the Division of Facilities Construction and Operations, implement an enhanced statewide Certified Operators Program for all public water systems.
- Keep Drinking Water internet site updated on commercial laboratories that test public water supplies as well as DEC-approved third party sanitary survey inspectors.
- Continue working with the University of Alaska – Southeast, Technical Assistance Center, in the development and implementation of an enhanced Sanitary Survey Program for training third-party inspectors, as well as the development of a comprehensive water treatment performance review program.

#### **2) IN COLLABORATION WITH THE ENGINEERING COMMUNITY, ESTABLISH AND IMPLEMENT APPROPRIATE DESIGN STANDARDS FOR DOMESTIC WASTEWATER SYSTEMS THAT CAN SUCCESSFULLY TREAT SEWAGE OVER TIME WITH PROPER ROUTINE MAINTENANCE.**

- Work with the University of Alaska on its implementation of the Certified Installer Program for on-site systems.
- Develop and implement a statewide operation and maintenance technical guidance program through the use of workshops and interactive computer software for small on-site domestic wastewater systems and treatment technologies.
- Work with consulting engineers to identify ways to improve our review of system engineered plans through annual workshops, fact sheets, and newsletter.
- Coordinate with EPA to obtain approval of the federally mandated Class V Underground Injection Control Program for shallow injection wells used as both industrial and domestic wastewater systems.

### **Key Component Issues for FY2002 – 2003**

Meeting the requirements of the Safe Drinking Water Act Amendments of 1996 will continue to be a challenge for the Drinking Water and Wastewater Program in FY2003. The program continues to struggle to meet an *overwhelming* number of federal deadlines for new program initiatives and rule adoption.

In addition, we are continuing our work to fine tune the design requirements for domestic wastewater systems so they will be reflective of the vast geographical differences in Alaska while at the same time meet the requirements of EPA's Class V Underground Injection Control Program for shallow injection wells.

### **Major Component Accomplishments in 2001**

Delegated the entire domestic wastewater program, except certification of installers, to the City of Valdez.

Adopted by reference the Interim Enhanced Surface Water Treatment Rule and Disinfection/Disinfectant By-Products Rule, which is a requirement for program primacy.

Obtained approval from, U.S. EPA of the State's Capacity Development Strategy for existing public water systems thus avoiding a 20% withholding penalty of the State Revolving Loan Fund.

Developed an enhanced sanitary survey form, in both electronic and hard copy format, to assist in the implementation of the State's Capacity Development Strategy for the review of technical, managerial, and financial capacity of public water systems.

Prepared an interactive CD for homeowners to use to install, inspect, and maintain onsite septic systems.

Completed the distribution of three (3) issues of the Drinking Water and Wastewater Program's newsletter - Northern Flows.

Completed 229 sanitary surveys of public water systems (83 completed by Drinking Water and Wastewater Program staff and 146 completed by third party inspectors).

### **Statutory and Regulatory Authority**

AS 44.46.020, AS 44.46.025, AS 46.03.020, AS 46.03.024, AS 46.03.050, AS 46.03.070, AS 46.03.080, AS 46.03.090, AS 46.03.100, AS 46.03.710, AS 46.03.720, AS 46.03.761, AS 46.03.900, 18 AAC 15, 18 AAC 72, 18 AAC 80

## Drinking Water

### Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,554.7	2,890.4	3,185.5
72000 Travel	104.0	169.8	182.3
73000 Contractual	676.5	752.2	830.2
74000 Supplies	75.6	59.9	62.1
75000 Equipment	60.6	55.8	68.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,471.4</b>	<b>3,928.1</b>	<b>4,328.9</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	2,122.8	2,389.5	2,605.7
1003 General Fund Match	501.1	505.9	669.8
1004 General Fund Receipts	498.5	521.8	532.6
1005 General Fund/Program Receipts	324.8	510.9	520.8
1052 Oil/Hazardous Response Fund	0.0	0.0	0.0
1053 Investment Loss Trust Fund	23.2	0.0	0.0
1108 Statutory Designated Program Receipts	1.0	0.0	0.0
<b>Funding Totals</b>	<b>3,471.4</b>	<b>3,928.1</b>	<b>4,328.9</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	2,122.8	2,389.5	2,410.2	2,605.7	2,605.7
General Fund Program Receipts	51060	324.8	510.9	510.9	520.8	520.8
Statutory Designated Program Receipts	51063	1.0	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>2,448.6</b>	<b>2,900.4</b>	<b>2,921.1</b>	<b>3,126.5</b>	<b>3,126.5</b>
<b>Total Estimated Revenues</b>		<b>2,448.6</b>	<b>2,900.4</b>	<b>2,921.1</b>	<b>3,126.5</b>	<b>3,126.5</b>

## Drinking Water

### Proposed Changes in Levels of Service for FY2003

The Drinking Water component is requesting an increment of 309.8, half of which is federal funds, to clear the backlog in several critical areas in the Drinking Water Program including the large number of water systems that are out of compliance with the microbiological testing rules, completion of sanitary surveys, and completion of the "ground water under the direct influence of surface water" determinations. Four new positions are being requested to work with owners and operators of water systems to come into and stay in compliance in these three areas, which EPA has determined threatens the safety and reliability of water supplies in many Alaskan communities.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,538.6</b>	<b>2,389.5</b>	<b>0.0</b>	<b>3,928.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer administrative support from Laboratory Services (ADN 1820361).	0.0	20.7	0.0	20.7
-Year 3 Labor Costs - Net Change from FY2002	29.1	40.6	0.6	70.3
-Year 3 Labor Costs - Fund Source Not Applicable	0.6	0.0	-0.6	0.0
<b>Proposed budget increases:</b>				
-Public Water System Support for New Federal Regulations	154.9	154.9	0.0	309.8
<b>FY2003 Governor</b>	<b>1,723.2</b>	<b>2,605.7</b>	<b>0.0</b>	<b>4,328.9</b>



## Drinking Water

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	48	53	Annual Salaries	2,481,992
Part-time	0	0	COLA	58,126
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	867,606
			<i>Less 6.52% Vacancy Factor</i>	(222,224)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>48</b>	<b>53</b>	<b>Total Personal Services</b>	<b>3,185,500</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	1	0	1	3
Administrative Clerk III	1	0	1	0	2
Analyst/Programmer I	1	0	0	0	1
Analyst/Programmer IV	1	0	0	0	1
Env Eng Associate	0	1	0	1	2
Environ Conserv Mgr III	1	0	0	0	1
Environ Eng Asst I	1	0	0	0	1
Environ Engineer I	1	1	1	2	5
Environ Engineer II	1	0	0	1	2
Environ Health Off III	1	0	0	0	1
Environmental Spec I	3	0	1	0	4
Environmental Spec II	4	1	0	0	5
Environmental Spec III	0	1	1	4	6
Environmental Spec IV	2	1	1	0	4
Environmental Tech I	1	0	0	0	1
Environmental Tech II	2	1	1	4	8
Hydrologist I	2	0	0	0	2
Hydrologist II	1	0	0	0	1
Prog Coordinator	1	0	0	0	1
Regulations Spec II	0	0	1	0	1
Research Analyst II	1	0	0	0	1
<b>Totals</b>	<b>26</b>	<b>7</b>	<b>7</b>	<b>13</b>	<b>53</b>

## **Component: Solid Waste Management**

**Contact: Janice Adair, Director**

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### **Component Mission**

Work cooperatively with municipalities, private businesses, and industrial companies to help improve environmental management and protection at Alaska's landfills.

### **Component Services Provided**

- Review and approve permit applications, including plans for operations, monitoring, management, construction, and closure; issue permits for solid waste treatment and disposal facilities; and review results of monitoring results that facilities submit to us.
- Conduct inspections of landfills to verify their compliance with permit requirements, whether individual permits, general permits, or permits by rule, and solid waste regulations.
- Make site visits to small towns and villages to provide practical, hands-on advice that can help them better manage their solid waste.
- Stay in touch with owners of closed landfill sites to ensure they are taking suitable actions to prevent contamination.

### **Component Goals and Strategies**

#### **1) PROTECT PUBLIC HEALTH AND PROPERTY VALUES BY IMPROVING THE WAY SOLID WASTE IS MANAGED STATEWIDE.**

- Inspect facilities according to a priority schedule based on facility risk and compliance history.
- Provide on-site technical assistance to operators of small landfills to improve solid waste management.
- Enter into partnership arrangements with regional health organizations to hold operator training sessions in regional transportation hubs to encourage improvements in the management of village landfills.
- Develop a state solid waste management plan that will outline broad goals and identify solid waste management strategies that may be effective in different areas of the state.
- Support pilot regionalization projects as a way to ensure better and more cost-effective solid waste management in small communities.
- Expand the use of fact sheets and training information posted on the division's web page as a cost-effective way to provide technical assistance to communities and industry.

#### **2) IMPROVE OUR PROGRAM'S EFFECTIVENESS BY CONTINUING TO IMPROVE CUSTOMER SATISFACTION THROUGH OUTREACH AND POSITIVE INTERACTIONS.**

- Make additional use of general permits, permits by rule, and other mechanisms to streamline permitting, allowing staff to spend more time in the field providing direct technical assistance to operators.
- Develop and use feedback form to solicit input from permittees on how we are doing.
- Complete changes to our fee system to comply with legislation passed in 2000.
- Solicit ideas from interested parties to weigh the need for future regulatory changes with the desire for a stable, consistent regulatory program.

### **Key Component Issues for FY2002 – 2003**

Long-term improvements in solid waste management have been extremely difficult to sustain at smaller facilities. We continue to reduce staff resources spent on permitting in favor of additional inspections and on-site technical assistance. Technical assistance rather than permitting may achieve better results at small landfills, however it is only part of the solution. To adequately protect public health and the environment from the effects of improper solid waste management requires a balance of reviewing a facility's construction and operating plans before it opens, i.e. permitting, compliance assistance, operator training, capacity development, and monitoring of results. As part of the effort to seek long-term improvements, we must develop a solid waste management plan for the state that will outline solid waste management strategies that may be cost effective in different regions of the state. Using the plan as a blueprint, the state can

encourage communities, through funding or other means, to develop regional or consolidated landfills that have the needed economies of scale to operate safely and efficiently.

Another key issue for this program will be developing flat fees to the greatest extent possible as required by the passage of HB 361.

### **Major Component Accomplishments in 2001**

Proposed a solid waste funding theme to the Denali Commission on how to make long-term improvements in solid waste management in Alaska.

Worked with communities, industry, and consultants to identify needed improvement in the solid waste regulations and permitting process.

In partnership with regional health corporations and the Alaska Chapter of the Solid Waste Association of North America, held four regional training sessions for rural landfill operators and community leaders.

### **Statutory and Regulatory Authority**

AS 44.46.020, AS 44.46.025, AS 46.03.100-120, AS 46.06.021, 18 AAC 15, 18 AAC 60

## Solid Waste Management

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	698.1	840.6	902.9
72000 Travel	56.4	69.5	74.5
73000 Contractual	165.4	277.3	194.6
74000 Supplies	8.4	25.5	26.5
75000 Equipment	3.5	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>931.8</b>	<b>1,212.9</b>	<b>1,198.5</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	16.7	27.0	27.3
1004 General Fund Receipts	670.3	715.4	957.0
1005 General Fund/Program Receipts	223.4	438.0	214.2
1007 Inter-Agency Receipts	9.1	0.0	0.0
1053 Investment Loss Trust Fund	11.0	32.5	0.0
1108 Statutory Designated Program Receipts	1.3	0.0	0.0
<b>Funding Totals</b>	<b>931.8</b>	<b>1,212.9</b>	<b>1,198.5</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	16.7	27.0	27.0	27.3	27.3
Interagency Receipts	51015	9.1	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	223.4	438.0	438.0	214.2	214.2
Statutory Designated Program Receipts	51063	1.3	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>250.5</b>	<b>465.0</b>	<b>465.0</b>	<b>241.5</b>	<b>241.5</b>
<b>Total Estimated Revenues</b>		<b>250.5</b>	<b>465.0</b>	<b>465.0</b>	<b>241.5</b>	<b>241.5</b>

## Solid Waste Management

### Proposed Changes in Levels of Service for FY2003

Due to the passage of HB 361 in 2000, the Solid Waste Management component will see the following changes as authorized by the fiscal note approved with the legislation:

- a fund source switch from program receipts to general funds of 230.4;
- line item transfers from the contractual line totaling 49.2 (43.2 to personal services; 5.0 to travel; and 1.0 to supplies);
- a decrement in the contractual line of 33.5; and
- the addition of one new position to track time, costs and other information required for the continued refinement of fees charged by the program as required by the legislation.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,153.4</b>	<b>27.0</b>	<b>32.5</b>	<b>1,212.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	18.8	0.3	0.0	19.1
<b>Proposed budget decreases:</b>				
-Implement 3rd Year HB361	-1.0	0.0	-32.5	-33.5
<b>FY2003 Governor</b>	<b>1,171.2</b>	<b>27.3</b>	<b>0.0</b>	<b>1,198.5</b>

## Solid Waste Management

### Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	12	13	Annual Salaries	690,808
Part-time	0	0	COLA	16,639
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	227,219
			<i>Less 3.40% Vacancy Factor</i>	(31,766)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>12</b>	<b>13</b>	<b>Total Personal Services</b>	<b>902,900</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Analyst/Programmer IV	1	0	0	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environ Engineer II	0	0	1	0	1
Environmental Spec I	1	0	0	0	1
Environmental Spec II	0	1	1	0	2
Environmental Spec III	2	1	1	0	4
Environmental Spec IV	1	1	0	0	2
Research Analyst II	0	0	1	0	1
<b>Totals</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>13</b>

## **BRU/Component: Statewide Public Services**

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

**Contact: Michael A. Conway, Director**

**Tel:** (907) 465-5298 **Fax:** (907) 465-5362 **E-mail:** mconway@envircon.state.ak.us

### **Component Mission**

Improve compliance by communities and businesses.

### **Component Services Provided**

- Provide department-wide permit assistance.
- Provide technical and on-site help to reduce hazardous materials and wastes.
- Promote safe, practical, low-cost, and environmentally sound business practices and pollution prevention.
- Help small communities and small businesses focus first on the most serious environmental problems, then solve long-term needs.
- Coordinate agency actions on major, complex multi-program activities, such as the Alaska homeland security initiative, response to state-declared disasters, National Missile Defense Systems project, EPA Performance Partnership Agreement, the Anchorage Airport Gateway Project, Trans-Alaska Pipeline, proposed natural gas pipeline, and other major oil and gas projects.
- Provide DEC oversight of the Valdez Marine Terminal operations and maintenance.
- Investigate and resolve environmental damages and threats to public health caused by criminal actions.
- Provide fair operating climates for those who comply with the law.

### **Component Goals and Strategies**

- 1) **HELP COMMUNITIES AND TRIBES ASSESS, RANK, AND BEGIN TO SOLVE THEIR OWN ENVIRONMENTAL PROBLEMS.**
  - Train community leaders and representatives to evaluate environmental problems and risks.
  - Work in partnership with community governments to develop safe, local solutions to environmental problems.
  - Assist communities in developing environmental management plans and programs.
- 2) **REDUCE EXPOSURE TO ENVIRONMENTAL HAZARDS.**
  - Assist communities in developing and managing their own household hazardous waste programs.
  - Lead the department in preparing for, preventing, and responding to environmental and human health hazards that may result from terrorist attacks, and natural or technological disasters.
  - Provide deterrence to criminal dumping of hazardous substances by investigating and resolving serious violations of environmental law.
  - Ensure the Valdez Marine Terminal is operated and maintained in compliance with State laws and regulations.
- 3) **PREVENT POLLUTION, REDUCE WASTE, AND ENSURE ENVIRONMENTAL COMPLIANCE BY BUSINESSES, COMMUNITIES, AND TRIBES.**
  - Provide non-enforcement technical assistance services requested by organizations to help them learn about cost-effective options for pollution prevention and compliance.
  - Reduce disposal of useable, excess products by facilitating procurement of such products by organizations that could use them for beneficial purposes.
  - Identify and recognize organizations that demonstrate exceptional environmental management.
  - Provide easy access to department information through personal contacts and/or tools such as internet web pages, on-line permit questionnaire, and on-line searchable directories of department publications.
  - Achieve reductions in pollution through partnerships with business associations, communities, industry, and state and federal facilities.
  - Support projects that help create new businesses and jobs through recycling.
  - Provide cost-effective alternatives to landfill waste disposal.
  - Measure compliance assistance effectiveness by evaluating customer satisfaction and tracking progress toward compliance.

- 4) PREVENT AND RESOLVE OIL AND GAS ISSUES, CONCERNS, AND PROBLEMS THAT INVOLVE ONE OR MORE DEC PROGRAMS OR DIVISIONS
- Ensure deadlines are met for oil and gas project environmental analyses, coastal zone management consistency determinations, and other project reviews.
  - Coordinate reviews with appropriate DEC program staff.
  - Prepare consolidated replies to appropriate agency(ies) and applicant inquiries.
  - Consult with oil and gas project proponents and other industry stakeholders in advance of proposed projects.
  - Provide pre-application consultation to project sponsors on applicable DEC permits/approvals, regulatory requirements, and recommended environmental best management practices for proposed projects.
  - Identify, evaluate, and take appropriate actions to streamline DEC permitting and approvals for oil and gas activities.
  - Work with the oil and gas industry on projects that promote and advance pollution prevention and environmental leadership.

### **Key Component Issues for FY2002 – 2003**

No Key Issues.

### **Major Component Accomplishments in 2001**

- Coordinated the Alaska Cruise Ship Initiative to identify cruise ship discharges and releases, determine if the discharges and releases are harmful, and what needs to be done to mitigate potential damages. This resulted in precedent-setting state legislation being passed.
- Through voluntary compliance programs, 76% of compliance issues identified were corrected without enforcement actions.
- 48 allegations of environmental crimes were investigated. The state collected 537,000 in civil settlements and 13,500 in fines.
- Coordinated the collection of household hazardous waste and batteries from 10 Yukon River communities as part of the Yutana Barge Lines Settlement Agreement. Removed 5,203 gallons of used oil and two totes of lead acid batteries, saving 67,319 in disposal and fuel costs. Yutana Barge Lines will continue collection of used oil from the 25 communities they serve, based on the economic benefit of burning used oil for their own energy needs.
- Via the Alaska Materials Exchange, 201,512 pounds of products to date destined for landfills were used in lieu of disposal, resulting in a total project savings of nearly 1.8 million.
- Prevented over 182 fifty-five gallon drums of household hazardous waste from being placed into small community landfills in Southeast in partnership with Southeast Conference.
- Several site visits to U.S. Air Force facilities identified heavy contamination of mercury and phosphorus powder from fluorescent tube grinders. As a result, USAF identified and removed 48 units from similar facilities, and decontaminated the areas.
- Coordinated the department's planning, preparedness, and participation in disaster emergencies and provided on-scene response, assessments and technical assistance to communities affected by the Middle Yukon River Spring floods.
- Helped Kodiak Island communities save 19,635 in fuel costs and 90,750 in disposal costs by installing an idle used oil burner in one community and providing training in communities for safe handling of used oil disposed in used oil burners.
- Discovered 4,000 improperly stored (and damaged) batteries on Kodiak Island, which threatened the nearby bay and spawning grounds. Assisted in the removal and recycling of the batteries.

### **Statutory and Regulatory Authority**

AS46.06, AS46.06.021, AS46.06.031, AS46.11.060, AS46.11.070, AS46.14.300, AS46.14.320, 18 AAC 50, 18 AAC 60, 18 AAC 75



## Key Performance Measures for FY2003

**Measure:**

The percentage change in compliance.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Historically, SPS annually assists users in voluntarily correcting 95% of the compliance violations detected during compliance assistance activities.

The baseline is to maintain the 95% compliance rate. The target is to increase compliance assistance to more users by 5% each year.

**Benchmark Comparisons:**

External comparisons are not available.

**Background and Strategies:**

To progress towards our target, we are implementing the following strategies:

- Obtain funding that can support our goals for compliance assistance.
- Increase outreach through education with business and community associations, at workshops, fairs, and tribal and community events.
- Mail out information with helpful tips and suggestions, and success stories.
- Target priority areas of the state where compliance assistance is currently unavailable.
- Partner with other entities that may be able to provide compliance assistance.

**Measure:**

The facility savings resulting from Statewide Public Services assistance.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

By collaborating with Greenstar Inc. and businesses throughout the state, SPS regularly assists nearly 500 businesses in reusing and recycling materials. Since 1994, we have issued the Alaska Materials Exchange catalog quarterly to facilitate the exchange of materials considered waste by one operator, but useful by another operator. Alaska businesses have realized approximately 1.8 million in savings.

Significant economic and environmental benefits are derived from pollution prevention and compliance assistance. For example, SPS assisted 47 communities on used oil management. Fourteen communities saved over 191,000 in fuel and waste disposal costs. DEC in partnership with the Southeast Conference saved 92,784 in disposal costs for 182 barrels of household hazardous waste removed from Southeast Communities. Kodiak Island Communities have saved over 105,000 for fuel and waste disposal costs in six months, by properly managing 150 barrels of used oil and using used oil burners for alternative energy sources. Ten communities along the Yukon River have saved 82,000 in disposal costs for 107 barrels of used oil and household hazardous waste removed by Yutanna Barge Lines.

The baseline is to realize a savings of 10% in operating costs for facilities employing pollution prevention and compliance in their business practices. The target will be to increase facility participation in these activities by 5% each year.

**Benchmark Comparisons:**

Southeast Alaska communities realized a 43% savings on household hazardous waste disposal compared to the private sector, and for the Kodiak Island project, those communities realized a 64% savings.

**Background and Strategies:**

There are no hazardous waste disposal facilities in Alaska, so all hazardous waste is transported out of state at high costs.

To progress towards our target, we are implementing the following strategies:

- Share information of the cost-savings to other facility owners and operators in an effort to get greater participation.
- Improve outreach through the Internet.
- Integrate reusing and recycling materials with compliance assistance services.
- Look for partners to assist with household hazardous waste collection and used oil management in regions around the state.

**Measure:**

The cost per barrel of hazardous waste collected and disposed of in a legal manner.

Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Southeast Alaska. SPS partners with Southeast Conference to remove household hazardous waste from Southeast communities. During the summer of 2001, 182 barrels of waste were disposed at 608 per barrel.

Kodiak Island. In partnership with Kodiak Island communities, used oil management programs were established. Through the first six months of operation, 150 barrels of used oil were burned as an alternative fuel source, saving 735 per barrel in fuel and disposal costs.

Yukon River. SPS worked with Yutanna Barge Lines to provide household hazardous waste collection in 10 communities along the River. 107 barrels of used oil and household hazardous waste were removed at no cost to the communities, saving 766 per barrel for disposal costs. The company has been burning the used oil as fuel, resulting in a savings to them that makes this project profitable for them in the future.

**Benchmark Comparisons:**

Household hazardous waste disposal and used oil management are expensive in rural communities. In Southeast Alaska, we have seen a 43% savings to communities for disposal through the partnership with Southeast Conference, compared to commercial costs of disposal. On Kodiak Island, there was a 64% savings, compared to the private sector. And, the Yukon River operation resulted in a 91% savings. Other regions of the nation do not face the remote locations and lack of transportation systems found in Alaska, so there is no comparison with other sectors.

**Background and Strategies:**

Improper used oil storage and management is a major environmental health risk in rural Alaska. Used oil management plans and used oil burners reduce both fuel and disposal cost.

Management of the household hazardous waste project requires committed partners. DEC will continue its partnerships with Southeast conference, Kodiak Island villages and Yutanna barge lines, and seek new partners in those areas of the State without household hazardous waste collection system.

To progress towards our target, we are implementing the following strategies:

- Increase service to 25 communities along the Yukon River, in partnership with Yutana Barge Lines.
- Expand this project to other areas of the state through partnerships with businesses, municipalities, tribes, and the military.
- Work with Spill Prevention and Response Division to improve the operations and use of used oil burners in rural Alaska.

**Measure:**

The cost per business or community provided environmental assessment training.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

48 compliance assistance training events reached 3,350 individuals at an average state cost of 7.39 per individual. Training comes in many forms. Staff visit communities for several days and provide environmental management training to people in the region in a classroom setting, and in the evening visit the facilities with operators to review their practices. We receive e-mails, people walk into our offices, we meet them at public events, and they call us on the telephone.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Training businesses, communities, and tribes in environmental assessments, and to achieve compliance is an important element of compliance.

Many businesses and communities send one or two members to a training event, who return to their organization with the information and train others. We provide informal training at booths at fairs, workshops, and through National Pollution Prevention Week.

To progress towards our target, we will implement the following strategies:

- We will focus training on user needs to deliver training that is both useful and can result in environmental and economic benefits through reduced waste disposal costs.
- Maintain training of employees in all DEC programs and latest requirements, compliance issues, and pollution prevention solutions.
- Partner with industry, community, and tribal associations, and other agencies to increase training and education effectiveness.

**Measure:**

The cost per industry sector or community group served.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The cost of compliance assistance training to certain sectors, per attendee:

Timber industry sector ranged from 14 to 19  
North Slope oil industry ranged from 9 to 11  
Green Star and schools ranged from 2.25 to 6  
Communities typically range from 11 to 22

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Costs for services vary by type of service, location, and level of environmental awareness/expertise of the sector or community served. For example, it is less expense to hold a workshop in Anchorage for the Green Star businesses, than to visit several small industrial businesses on the Kenai Peninsula that have specific non-compliance issues. The methods of delivering compliance assistance services allow us to serve multiple sectors simultaneously. It also allows us to partner with sectors to reduce costs.

We look for ways to reduce costs for services by working with partners and combining travel for several types of assistance for several types of sectors. We also provide “train-the-trainer” services, providing an extended capability in areas around the State where visits are few and far between.

We will implement the following strategies to provide services to sectors and community groups in a cost-efficient manner:

- Partner with organizations to deliver compliance assistance.
- Combine travel to remote areas of the state with service delivery to multiple sectors.
- Provide “train-the-trainer” services to extend compliance assistance to remote sectors.
- Measure cost per industry sector and community group served.

**Measure:**

The percentage of contacts that result in compliance.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Annually, SPS receives approximately 5,000 contacts via walk-ins, telephone calls, or emails. Of those, over half of the people were satisfied without referrals to specific programs. This indicates that over 50% of the contacts received the information they needed directly from SPS staff.

The long-term target compliance rate is 95%.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Updating the database, getting staff to use the database more consistently, and including links in all our email response to feedback forms should capture information on how many contacts have compliance problems to start.

**Measure:**

The percentage of completed environmental assessments in communities.  
Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Approximately 200 residents of 90 rural communities have taken “7 Generations” training to perform, and train people to perform, village environmental assessments. The tribal people are leaders in performing these assessments. 150 Alaska tribes have completed environmental assessments. Approximately 5 million of federal money has been awarded to those tribes to deal with problems identified in those assessments. In addition, to the 7 Generations training DEC partnered with UAA, EPA, and others to train 1258 individuals for community assessments.

Our target is to increase rural communities enrolled in the program by 15% a year until 90% are participating, and get 100% of those communities to perform environmental assessments.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

7 Generations training relies on voluntary participation by rural communities and tribes, with funding supported by community/tribal organizations. We have developed strong partnerships with tribes to help organize and pay costs for 7 Generations training. Currently, 40% of rural communities have participated in the 7 Generations Train-the-Trainer course. Participating tribes have provided peer training to another 25% of the tribes.

Our strategy is to reach other rural communities to encourage them to participate in the village environmental assessment program. We are working with regional and state tribal organizations, and encouraging communities that

have improved their human health and environment situation to share stories about those successes. We will target events where rural communities gather to discuss human health and the environment to participate.

**Measure:**

The percentage of department contacts that result in a favorable experience.

Sec 64 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The overall strategy to accomplish the SPS mission is to provide assistance to individuals, communities, organizations, and businesses to identify and solve or prevent problems. Based on the return of feedback forms, we regularly achieved a 99% satisfaction rate.

Our target is to maintain the 99% satisfaction rate in SPS, while increasing technical assistance to Alaskans through better use of information technology and public outreach.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

SPS provides information and technical assistance to many individuals, small businesses, and small communities who normally do not have environmental expertise. SPS operates Information Assistance Centers in Anchorage, Fairbanks, and Juneau for walk-ins looking for assistance from the department . We coordinate major, multiple program projects to provide applicants with a single point of contact, who will gather department-wide resources, making their interactions with the department more effective. We are increasing our participation in outreach events like fairs, workshops, school career events, and community association activities.

We measure our performance through feedback forms and personal contacts. It is rare that we encounter a person or organization that is unhappy with the service.

## Statewide Public Services

### Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,126.2	1,360.7	1,636.6
72000 Travel	83.8	112.9	124.9
73000 Contractual	166.2	388.3	422.2
74000 Supplies	11.7	16.0	18.0
75000 Equipment	17.3	12.8	19.4
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,405.2</b>	<b>1,890.7</b>	<b>2,221.1</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	514.3	823.7	838.0
1003 General Fund Match	35.2	35.5	36.1
1004 General Fund Receipts	103.4	108.0	234.9
1005 General Fund/Program Receipts	0.0	27.0	27.4
1007 Inter-Agency Receipts	62.0	312.6	318.0
1052 Oil/Hazardous Response Fund	582.1	583.9	594.0
1053 Investment Loss Trust Fund	1.1	0.0	0.0
1061 Capital Improvement Project Receipts	0.0	0.0	172.7
1079 Storage Tank Assistance Fund	0.5	0.0	0.0
1093 Clean Air Protection Fund	106.5	0.0	0.0
1108 Statutory Designated Program Receipts	0.1	0.0	0.0
<b>Funding Totals</b>	<b>1,405.2</b>	<b>1,890.7</b>	<b>2,221.1</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	514.3	823.7	823.7	838.0	823.7
Interagency Receipts	51015	62.0	312.6	312.6	318.0	312.6
General Fund Program Receipts	51060	0.0	27.0	27.0	27.4	27.0
Statutory Designated Program Receipts	51063	0.1	0.0	0.0	0.0	0.0
Capital Improvement Project Receipts	51200	0.0	0.0	0.0	172.7	172.7
<b>Restricted Total</b>		<b>576.4</b>	<b>1,163.3</b>	<b>1,163.3</b>	<b>1,356.1</b>	<b>1,336.0</b>

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Total Estimated Revenues		576.4	1,163.3	1,163.3	1,356.1	1,336.0

## Statewide Public Services

### Proposed Changes in Levels of Service for FY2003

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning and Design Consultation

Coordinating for DEC Statewide Public Service will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline its programs.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

Funding is also requested to coordinate issues involving a gasline project between DEC, the Gas Pipeline Office, and a pipeline sponsor to ensure timely, effective permitting activity.

This includes:

- permitting, authorization and oversight of a gas pipeline during pre-construction and construction;
- permitting and authorization of air emissions from construction and initial operation of a gas pipeline;
- identification of air emission requirements and issues during project preconstruction;
- establishing and meeting project permitting schedules;
- reviewing permit applications;
- and producing permits required for construction and initial operation.



**Summary of Component Budget Changes**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>170.5</b>	<b>823.7</b>	<b>896.5</b>	<b>1,890.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	2.9	14.3	15.5	32.7
<b>Proposed budget increases:</b>				
-Oil Safety and Development Initiative	125.0	0.0	0.0	125.0
-Gas Pipeline Coordination	0.0	0.0	172.7	172.7
<b>FY2003 Governor</b>	<b>298.4</b>	<b>838.0</b>	<b>1,084.7</b>	<b>2,221.1</b>

**Statewide Public Services**  
**Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b>FY2002</b>	<b>FY2003</b>		
	<b>Authorized</b>	<b>Governor</b>		
Full-time	20	23	Annual Salaries	1,278,210
Part-time	1	1	COLA	31,978
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	409,251
			<i>Less 4.82% Vacancy Factor</i>	(82,839)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>21</b>	<b>24</b>	<b>Total Personal Services</b>	<b>1,636,600</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Administrative Clerk III	1	0	0	0	1
Division Director	0	0	1	0	1
Environ Conserv Mgr I	1	1	0	0	2
Environ Conserv Mgr III	0	0	1	0	1
Environ Engineer I	1	0	0	0	1
Environ Engineer II	0	0	1	0	1
Environmental Spec I	1	0	1	0	2
Environmental Spec III	3	0	1	3	7
Environmental Spec IV	2	0	0	1	3
Environmental Tech II	1	0	0	0	1
Investigator III	1	0	0	0	1
Investigator IV	0	1	0	0	1
Pipeline Liason Officer	1	0	0	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>12</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>24</b>

## **Air and Water Quality Budget Request Unit**

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### **BRU Mission**

Protect air and water quality.

### **BRU Services Provided**

- Improve air and water quality conditions where they are below public health or environmental standards.
- Issue air and water quality permits based on sound science to facilities and operations that release potentially harmful pollutants.
- Ensure facility compliance with permit conditions.
- Assist communities in the protection of air and water quality.
- Provide user-friendly public access to air and water quality data.

### **BRU Goals and Strategies**

#### **IMPROVE AIR AND WATER QUALITY.**

- Using the priorities and objectives of the Alaska Clean Water Actions plan, strive to align all governmental water quality enhancement and protection projects to achieve common goals for: fishable, drinkable, swimmable and workable waters.
- Develop, amend, and maintain water quality standards to protect and manage the best uses of Alaska's water resources.
- Continue to develop and implement internet-based databases for air and water quality information to provide broad access to information that will enhance knowledge, avoid redundancy and support decision-making capability for air and water resources.
- Prevent EPA's sanctioning of federal highway funds by assisting Anchorage and Fairbanks in conclusively showing that carbon monoxide exposures will be kept within the public health standards.

### **Key BRU Issues for FY2002 – 2003**

The state, federal agencies, local governments and non-governmental entities all spend time and money to preserve and enhance water quality. State and local governments receive federal funds for various water quality projects. Several federal agencies also work to preserve and enhance water quality. It is essential to build and foster a unified approach to prioritize water quality projects. In conjunction with F&G, DNR, and DGC, DEC is implementing the Alaska Clean Water Actions (ACWA) plan. The plan provides a method to identify and prioritize the highest needs in the state for protecting water quality, water quantity, and aquatic habitats. It sets common principles for decision making at the state level. DEC will collaborate with federal agencies, local government and other entities to prioritize and fund water quality projects that are aligned with the ACWA policy principles.

Anchorage and Fairbanks continue to have pollution problems from carbon monoxide. Anchorage has attained the national clean air standards, but violations can still occur. Fairbanks met the standards in 2000. 2001 is a critical year for clean air if more federal sanctions are to be avoided. The department will continue to work closely with EPA and both communities to develop effective carbon monoxide control programs not only to avoid the loss of highway funds but also to protect public health.

### **Major BRU Accomplishments in 2001**

- Adopted ACWA. The intra-agency policy principles of ACWA are designed to ensure state resources are directed to the highest priority needs to protect and enhance clean and abundant waters and healthy fish habitat; drinkable, fishable, swimmable and workable waters for Alaskans.
- Guided by a stakeholders' work group recommendations, DEC began a comprehensive redesign and rebuild of the state's wastewater discharge permit program. The future permitting program will allocate the greatest resources

towards those activities posing the greatest risks to water quality, enhancing field oversight and technical assistance and streamlining the permitting of lower risk discharges.

- Worked in conjunction with the Legislature, cruise ship industry, and public to establish enactment of the commercial passenger vessel environmental compliance program.
- Harding Lake, near Fairbanks, was removed from the state's polluted waters list.
- Worked with the City and Borough of Sitka to clean up Swan Lake. Upon confirmation with water quality measurements, Swan Lake will be removed from the state's polluted waters list.

## Key Performance Measures for FY2003

### Measure:

The cost per permit issued.

Sec 65 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

Air Quality: 7,412 for an operating permit (FY2001 median costs; 9,006 in FY2000).

We have a time billing system using codes for various activities. We track the total amount time billed to the companies for staff time on permit issuance activities.

Water Quality: We have implemented a time and expenses tracking system to determine actual permit costs.

Target values for air or wastewater permits have not been set. The air operating program is undergoing significant changes and costs are expected to decrease. Wastewater permit costs have not been historically tracked and the program is undergoing a major redesign.

### Benchmark Comparisons:

External comparisons not available.

### Background and Strategies:

Air Quality: The department will adopt regulations for several standard permit conditions. These standard permit conditions will avoid the need to develop corresponding conditions for each permit.

An air permit benchmarking study was completed in November 2000. In FY2002, we have allocated a small amount of grant funds for a contractor to begin developing application forms and pre-application procedures as one of the first steps in implementing the numerous recommendations of the benchmarking study.

Water Quality: Permit fees are currently based on best estimates of permit costs. The time and expense tracking system provides a mechanism to calculate average permit costs to support future revisions to permit fees. To reduce permit costs, DEC is focusing on reducing staff time per permit through the development of a facility-specific database, standardized permit conditions, a web-based application process, and the development of streamlined approvals for low-risk discharges.

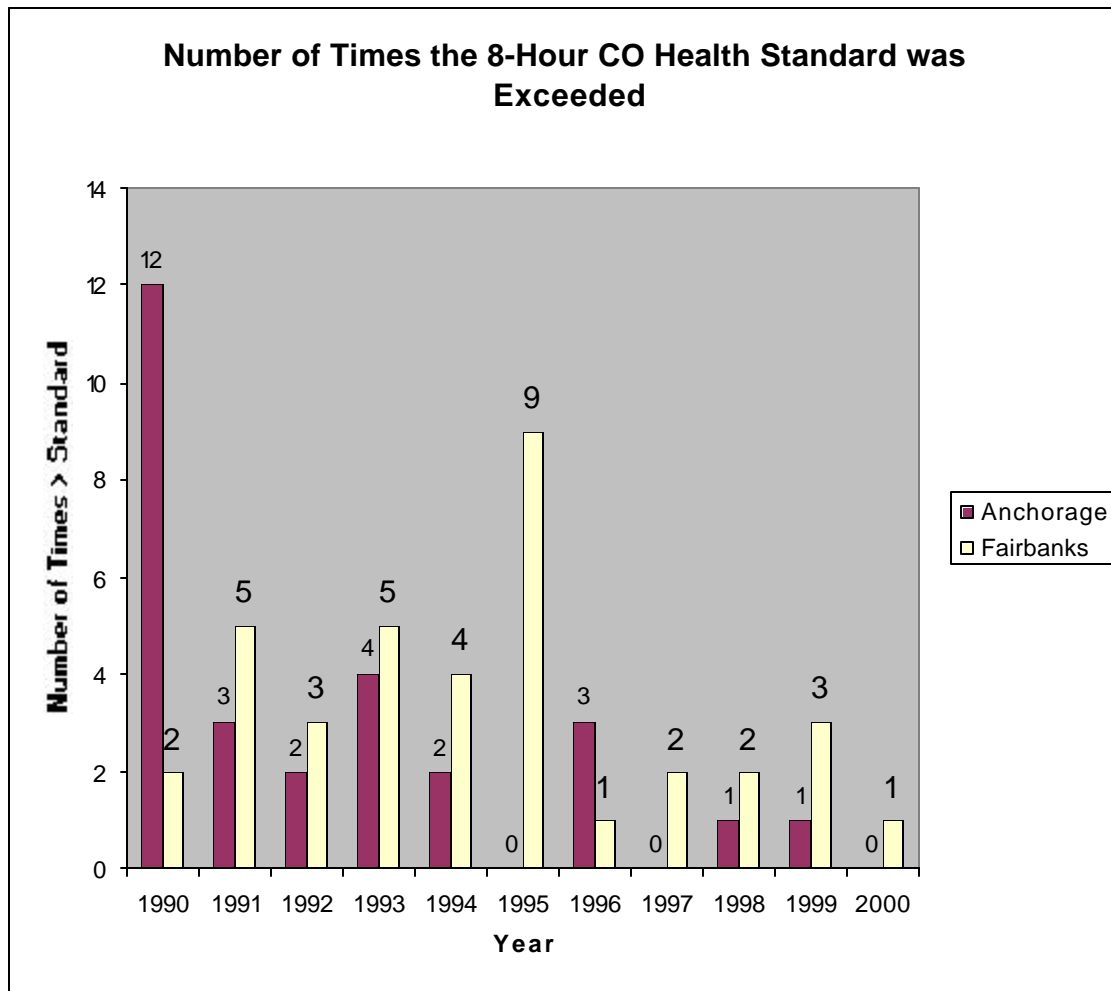
### Measure:

Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards.

Sec 65 Ch 90 SLA 2001(HB 250)

### Alaska's Target & Progress:

For the past four winters Anchorage has met the health standard benchmark. In 2000, Fairbanks met the standard. The federal health standard provides for one event per calendar year above the 9 part per million exposure level - the second event is considered a health violation. Under federal law, a community must meet the standard for two contiguous years to qualify as attaining the standard.

**Benchmark Comparisons:**

Attainment of the national ambient air quality standards.

Eight communities in the nation exceed the air quality standards for carbon monoxide or have not been reclassified to healthy status. At this time only two communities actually exhibit concentrations above the standard: Los Angeles and Fairbanks.

**Background and Strategies:**

DEC is working closely with the Fairbanks Borough, the Municipality of Anchorage and EPA to finalize the required attainment plans. The Fairbanks plan was submitted in September 2001. The Anchorage plan will be submitted in January 2002.

**Measure:**

The average time taken from receipt of a permit application to approval.  
Sec 65 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Air Quality: The average time is 150 days for a construction permit in FY2001 (278 days in FY2000).

Water Quality: The average time is 136 days for individual permits and certification of federal permits and 62 days for general permits.

The target time period for air quality construction permits is 130 days. The target time period for water quality permits is 122 days for individual permits and certification of federal permits and 55 days for general permits.

**Benchmark Comparisons:**

External comparisons not available.

Air Quality: We maintain a construction permit file of pending permit applications and track the issuance of permits.

To reduce permitting time, we:

- Adopt regulations to make permits more uniform. For example, a recent permit-by-rule regulation was adopted to streamline permitting for portable oil and gas drilling.
- Implement key recommendations from the air permits benchmarking study.

Water Quality: The water permit stakeholders group made recommendations in 2000 to focus on efficiency through enhanced data management and analysis, computer-assisted permitting, and simplified permit application procedures, as well as expanded use of general approvals for low-risk activities.

To reduce permitting time, we:

- Implement key recommendations from the water permit stakeholder group.
- Redesign our permitting system to fast-track lower risk activities.
- Look for opportunities to streamline review schedules when multi-agency and federal permits are involved.

**Measure:**

The average time taken from receipt of a permittee complaint to resolution of the complaint.

Sec 65 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The average time is 51 days, based upon 3 complaints received in FY2001.

Decrease in time from receipt of permittee complaint to resolution. Our target time period is 60 days.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

The division tracks this measure at the program manager level and higher. The director reviews all complaints raised.

**Measure:**

The percentage of facilities inspected according to risk-based inspection frequency.

Sec 65 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Air Quality: The risk-based inspection strategy identified 70 high-risk facilities for inspection. 57 of the 70 facilities, or 82%, were inspected in FY2001.

Water Quality: During FY2001, 48 inspections were performed based on a backlog of previously uninspected operations, or 0% according to a risk-based system. In FY2002 we developed risk-based inspection ranking criteria to prioritize inspections. Approximately 28 of the 55 (50%) inspections planned in FY2002 are based on the risk-based ranking methodology; the remainder are previously uninspected operations.

Increase the percentage of higher risk facilities. The target is 100% of high-risk facilities/operations. Field inspections provide a key opportunity to provide technical assistance to operators who avoid or mitigate what may otherwise be significant harm to the environment.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Air Quality: Some of the factors that make up risk based targeting are:

- Size of facility
- When the facility was last inspected
- Actual quantity of emissions
- Actual hazardous air pollutant emission
- Compliance history

Water Quality: Factors employed to target higher risk facilities include:

- New facility or significant modification
- Significant permit violations
- Legitimate complaint of health or environmental hazard
- Date of last inspection
- Toxic pollutant potential
- Past compliance based on failure to submit discharge monitoring reports or exceedences in past reports

**Measure:**

The number of activities covered by fast-track general permits as compared to the total number of permits.  
Sec 65 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

Increase in number of activities covered by fast-track permits as compared with the total number of permits.

Air Quality: Of the 471 facilities required to have permits, 282 use fast track methods. Fast track methods include 93 facilities that are covered by general permits, 185 covered by fast-track permit avoidance limits (called owner requested limits or pre-approved limits), and 4 are covered by a permit-by-rule.

Water Quality: We currently issue fast-track general permits and we are also waiving project review requirements for certain low risk activities. In FY2001, 91 of the 123 wastewater discharge permits and approvals issued in FY2001 were fast-track general permits; the remainder were individual permits.

Department certifications of the Army Corps of Engineers dredge and fill permits were issued for 74 projects. Certification was waived (no project reviews performed) for 117 projects under a risk based criteria. Approval of 106 stormwater pollution prevention plans was completed under fast track general permits.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Air Quality: In order to increase the number of activities covered by fast-track permits, we will:

- Adopt the permit-by-rule for oil drilling regulations (recently completed).
- Combine unified permitting for solid waste landfills.
- Identify general permit opportunities during permit reviews.

Water Quality: In order to increase the number of activities covered by the fast-track permits, we will:

- Develop permit-by-rule and generally allowed activities options for low-risk operations.

## Air and Water Quality

### BRU Financial Summary by Component

*All dollars in thousands*

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b><u>Formula</u></b>												
<b><u>Expenditures</u></b>												
None.												
<b><u>Non-Formula</u></b>												
<b><u>Expenditures</u></b>												
Air and Water Director	208.6	0.0	192.8	401.4	214.3	0.0	6.4	220.7	218.6	0.0	19.6	238.2
Air Quality	1,116.6	1,863.6	2,912.1	5,892.3	1,144.6	1,623.6	2,282.0	5,050.2	1,472.3	1,639.1	2,875.6	5,987.0
Water Quality	1,735.1	1,702.3	311.8	3,749.2	2,181.0	2,182.9	322.4	4,686.3	3,612.3	1,824.8	325.4	5,762.5
Com'l Passenger Vessel Program	0.0	0.0	0.0	0.0	0.0	0.0	1,000.0	1,000.0	0.0	0.0	703.7	703.7
<b>Totals</b>	<b>3,060.3</b>	<b>3,565.9</b>	<b>3,416.7</b>	<b>10,042.9</b>	<b>3,539.9</b>	<b>3,806.5</b>	<b>3,610.8</b>	<b>10,957.2</b>	<b>5,303.2</b>	<b>3,463.9</b>	<b>3,924.3</b>	<b>12,691.4</b>



## Air and Water Quality

### Proposed Changes in Levels of Service for FY2003

The division will fully implement the new commercial passenger vessel environmental compliance program (HB260).

The division will reinstate the work that was delayed in FY2002 for the development of streamlined wastewater permitting. Delay was caused by an unexpected reduction of federal funding support. The department is requesting the loss of federal funds be replaced with general funds.

The division will increase its review and approval of stormwater pollution prevention plans to decrease surface water pollution.

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

#### AIR QUALITY

- with the assistance of private contractors, develop air permit procedures, forms and regulation changes to implement the findings of the 2000 air permitting benchmarking study jointly done by the department and Alaska Oil and Gas Association to eliminate permit backlogs and provide predictability in the timing of permit issuance.
- examine policy options and technology retrofits that would reduce emissions of global warming greenhouse and avoid pollution increases from expanded oil and gas operations in the National Petroleum Reserve and Arctic National Wildlife Refuge.

#### WATER QUALITY

evaluate best available technologies to reduce waste quantity and toxicity.

#### Permitting and Plan Approvals

DEC will:

#### AIR QUALITY

- reduce air permit processing time by 50%, from a four-year average of 253 days to 126 days.
- eliminate the average 3-month permit queue and begin work immediately upon receipt of application.
- maintain permit quality by ensuring that permits are carefully drafted to minimize avoidable permit change requests.

#### WATER QUALITY

- evaluate baseline conditions prior to issuing new wastewater permits
- reduce the time it takes to issue oil and gas related individual wastewater permits by 56 days, or roughly 30 percent.
- conduct pre-work field inspections at approximately 10% of the projects to evaluate potential alternatives, or methods of operation that may result in less surface fill, less run-off pollution and greater protection of sensitive areas.

#### Inspection, Monitoring and Compliance

DEC will:

- open a full-time North Slope field office with four staff.

#### AIR QUALITY

- increase the number of oil and gas air permit inspections. Only 25% of the current 88 permitted air facilities are inspected while no exploratory operations are inspected. We expect to increase the number of these inspections to 50% and inspect 20% of the exploration drill sites.
- audit 10% of air facility reports to fully evaluate operational compliance. Reports are not currently audited against the raw data on which they are based.
- Use private contractors to complete an independent ambient air quality monitoring project to evaluate cumulative ground level air quality conditions around oil field operations.

#### WATER QUALITY

- conduct water inspections and provide compliance assistance to North Slope facilities.
- increase inspection rates for high priority wastewater discharges from 50% to 100%.
- increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).
- conduct independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.
- evaluate ambient water quality through sampling and analyses.

**Air and Water Quality**  
**Summary of BRU Budget Changes by Component**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>3,539.9</b>	<b>3,806.5</b>	<b>3,610.8</b>	<b>10,957.2</b>
<b>Adjustments which will continue current level of service:</b>				
-Air and Water Director	4.3	0.0	13.2	17.5
-Air Quality	25.0	15.5	40.2	80.7
-Water Quality	419.6	-358.1	3.0	64.5
-Com'l Passenger Vessel Program	0.0	0.0	3.7	3.7
<b>Proposed budget decreases:</b>				
-Water Quality	-31.6	0.0	0.0	-31.6
-Com'l Passenger Vessel Program	0.0	0.0	-300.0	-300.0
<b>Proposed budget increases:</b>				
-Air Quality	302.7	0.0	553.4	856.1
-Water Quality	1,043.3	0.0	0.0	1,043.3
<b>FY2003 Governor</b>	<b>5,303.2</b>	<b>3,463.9</b>	<b>3,924.3</b>	<b>12,691.4</b>

## **Component: Air and Water Director**

### **Contact: Tom Chapple, Director**

**Tel:** (907) 269-7634 **Fax:** (907) 269-3098 **E-mail:** Tom\_Chapple@envircon.state.ak.us

## **Component Mission**

Lead and direct division staff in accomplishing the division's goals.

## **Component Services Provided**

Overall leadership and management of the air and water quality programs of the division.

## **Component Goals and Strategies**

MANAGE AIR AND WATER QUALITY PROGRAMS WITHIN THE DIVISION.

- Establish clear goals and objectives for each program of the division to support individual work plans, performance expectations and efficiencies.
- Work with external stakeholders to assess the value of the division's work products.
- Encourage use of the Alaska Clean Water Actions plan among federal agencies, local governments and non-governmental organizations to unify water quality protection and restoration efforts-maximizing the benefits of diverse funding sources for Alaska's priority clean water needs.
- Implement a substantially redesigned wastewater discharge permit program that provides a higher level of service based upon the level of risk to health or environment.

## **Key Component Issues for FY2002 – 2003**

The director's office must ensure that the resources and priorities of the division are directed towards the fulfillment of the division's mission to protect air and water quality. This office will:

- Fully implement the commercial passenger vessel environmental compliance law;
- Substantially complete the redesign of the wastewater discharge permitting and oversight program, and
- Address deficiencies in the air permitting program to accomplish "benchmark" improvements and secure final federal approval of the air operating permits program.

## **Major Component Accomplishments in 2001**

Adopted regulations to streamline air permitting for portable oil and gas drilling operations. The new "permit-by-rule" system will eliminate up to 40 oil exploration permits per year by enabling operators to simply register to operate under the terms of the permit that is set out in regulation.

Agency services significantly increased for wastewater discharge activities from industry and municipal government. Increases occurred in number of permits issued and field compliance assistance. Permit fee rates and structures were adopted in early FY2002 as directed through HB361. Other program redesign and streamlining efforts are currently underway in FY2002.

Continued to challenge the Environmental Protection Agency (EPA) about its intervention of the air permits program concerning the state's decision on pollution control equipment at the Cominco Red Dog Mine. We felt strongly that EPA over-stepped its authority in rejecting the air quality permit issued by the department. Appeal is awaiting a decision by the US Ninth Circuit Court of appeals.

## **Statutory and Regulatory Authority**

AS 46.03; AS 46.04; AS 46.08; AS 46.13; AS 46.14; 18 AAC 15; 18 AAC 50; 18 AAC 52; 18 AAC 53; 18 AAC 62; 18 AAC 63; 18 AAC 70; 18 AAC 72; Clean Air Act; Clean Water Act; Resource Conservation and Recovery Act.

## Air and Water Director

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	330.8	144.5	156.5
72000 Travel	25.7	19.3	21.3
73000 Contractual	39.5	46.3	48.3
74000 Supplies	4.6	10.6	12.1
75000 Equipment	0.8	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>401.4</b>	<b>220.7</b>	<b>238.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	208.6	214.3	218.6
1007 Inter-Agency Receipts	191.5	6.4	6.4
1018 Exxon Valdez Oil Spill Settlement	0.0	0.0	13.2
1053 Investment Loss Trust Fund	1.0	0.0	0.0
1108 Statutory Designated Program Receipts	0.3	0.0	0.0
<b>Funding Totals</b>	<b>401.4</b>	<b>220.7</b>	<b>238.2</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	191.5	6.4	6.4	6.4	6.4
Statutory Designated Program Receipts	51063	0.3	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>191.8</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>
<b>Total Estimated Revenues</b>		<b>191.8</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>

**Air and Water Director****Proposed Changes in Levels of Service for FY2003**

The division director will serve as the commissioner's alternate as the Trustee on the Exxon Valdez Oil Spill Trustee Council. The division will participate in council work as the liaison and a member of the "staff committee." The division will provide policy input into funding decisions and technical review of specific projects that relate to protection or improvement of water quality and water sources. The division will coordinate with other council members and the executive director to explore opportunities to leverage restoration funds with other funding sources.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>214.3</b>	<b>0.0</b>	<b>6.4</b>	<b>220.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer in From Exxon	0.0	0.0	13.2	13.2
-Year 3 Labor Costs - Net Change from FY2002	4.3	0.0	0.0	4.3
<b>FY2003 Governor</b>	<b>218.6</b>	<b>0.0</b>	<b>19.6</b>	<b>238.2</b>

## Air and Water Director

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	2	3	Annual Salaries	120,327
Part-time	0	0	COLA	3,628
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	37,277
			<i>Less 2.93% Vacancy Factor</i>	(4,732)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>2</b>	<b>3</b>	<b>Total Personal Services</b>	<b>156,500</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	1	0	0	0	1
Restoration Specialist	0	0	1	0	1
Secretary	1	0	0	0	1
<b>Totals</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>

## **Component: Air Quality**

**Contact: Tom Chapple, Director**

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## **Component Mission**

Identify, prevent, abate, and control air pollution to protect public health and the environment in a cost-effective, accountable manner.

## **Component Services Provided**

- Issue air quality permits to facilities that release potentially harmful pollutants, and assure compliance with permit conditions through inspections and operating report reviews.
- Work cooperatively with communities to reduce public health threats from carbon monoxide, breathable particulate pollution and toxic air contaminants.
- Assess air quality to identify areas where air quality and visibility are at risk or below acceptable levels.
- Oversee radiological assessment activities at Amchitka Island.

## **Component Goals and Strategies**

- 1) MONITOR AMBIENT AIR FOR POLLUTANTS TO PROTECT PUBLIC HEALTH.
  - Operate air pollution monitors at various locations statewide with a focus on carbon monoxide and particulate matter in Anchorage, Fairbanks, and Juneau.
  - Conduct special air monitoring studies for priority areas.
  - Determine if various locations in Alaska meet the new public health standard for fine particle air pollution.
  - Monitor air quality during natural and human-caused disasters to provide public health advisories.
  - Investigate air quality violations from suspected facility operations.
  - Provide, when possible, real-time ambient air quality data during air pollution events.
  - Assess radiation contamination and evaluate risks posed by leakage of contaminants at Amchitka Island.
- 2) RETAIN STATE PRIMACY.
  - Implement an air quality permit program based on sound science and air quality principles.
  - Issue permits to facility operators, using general permits whenever appropriate.
  - Implement selected findings of the air permitting benchmark study.
  - Address deficiencies identified by EPA in the operating permit program.
- 3) IMPROVE AIR QUALITY AND PREVENT SANCTIONS OF HIGHWAY FUNDS.
  - Work cooperatively with communities to achieve attainment of air quality standards for carbon monoxide (Anchorage and Fairbanks) and particulate matter (Anchorage and Juneau).
  - Assess and modify control strategies in areas failing to meet the air quality health standards.
  - Ensure compliance with control strategies, including the vehicle tailpipe inspection and oxygenated fuels program.
  - Develop and implement public awareness programs related to health standards and air quality control programs.
  - Assist local communities in developing and implementing their air quality education program.
  - Assess visibility (regional haze standards) in Alaska's Class I areas and develop strategies to correct any impairment.

## **Key Component Issues for FY2002 – 2003**

Carbon monoxide pollution continues to present problems for Anchorage and Fairbanks. We will continue to work closely with EPA and with both communities to develop effective carbon monoxide control programs not only to prevent the loss of highway funds but also to protect public health.

Toxic air pollutants are a group of pollutants that are known or suspected to cause cancer and other serious health conditions such as birth defects. We will complete an assessment of toxic air pollution sources in Alaska and conduct a risk analysis to ascertain public health risks. If significant risks are apparent, we will develop and implement approaches in education, voluntary action or advisory measures to reduce these risks.



The operating permit program is the state's primary means for ensuring that stationary sources of pollution comply with the air pollution regulations. This program currently has interim approval from the EPA. EPA is under a court-sanctioned settlement to take final action on all operating permit programs by December 1, 2001. Based on comments EPA received on this and other states' operating permit programs, we expect final EPA action on our program will identify deficiencies which must be addressed in order for the state to retain primacy. We will assess and address those deficiencies through regulation changes and/or changes in management practices as necessary to retain primacy.

### **Major Component Accomplishments in 2001**

Developed revisions to the tailpipe inspection and maintenance program to address Y2K issues and new federal requirements. These revisions made registrations of vehicles faster and easier. They also increased the department's ability to identify and track non-complying motorists. As a result, DEC was able to reduce tailpipe emissions.

Conducted phase II of a cold temperature, ambient carbon monoxide monitoring study in Fairbanks for use in developing an enhanced control plan.

Nearshore seaweeds, marine sediment and water samples were gathered this summer at the former nuclear test site on Amchitka Island. This field sampling is the initial step of a marine radiological assessment. It is a critical step in evaluating the impacts of nuclear testing and military activities in the Aleutian Islands.

Issued 21 permits for the construction of new industrial facilities and modification to existing facilities. Issued 22 operating permits to industrial facilities and helped 14 operators avoid the need and cost of an operating permit.

Investigated 409 citizen air pollution complaints. Made 57 visits to permitted sites to help operators comply with air permits and resolved 43 compliance problems without the need for formal enforcement action.

Adopted regulations, called a permit-by-rule, to streamline permitting requirements for portable oil and gas well drilling operations. This action eliminates the need to review individual permits by allowing operators to simply register with DEC before starting their drilling at a given site.

Continued a workgroup to develop facts and resolve issues relating to air emissions of cruise ships. Operated a joint air monitoring project in downtown Juneau with the cruise ship industry and concerned citizens to assess ambient levels of sulfur dioxide, nitrogen dioxide and particulate and their potential public health impact.

### **Statutory and Regulatory Authority**

AS 46.03; AS 46.14; AS 44.43; AS 46.45; 18 AAC 50; 18 AAC 52; 18 AAC 53; Federal Clean Air Act

## Air Quality

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,543.1	3,366.8	3,746.0
72000 Travel	218.3	227.3	257.8
73000 Contractual	1,946.7	1,198.3	1,669.4
74000 Supplies	74.0	121.8	125.8
75000 Equipment	110.2	136.0	188.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>5,892.3</b>	<b>5,050.2</b>	<b>5,987.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,863.6	1,623.6	1,639.1
1003 General Fund Match	865.9	880.5	904.4
1004 General Fund Receipts	0.0	0.0	302.7
1005 General Fund/Program Receipts	250.7	264.1	265.2
1007 Inter-Agency Receipts	878.8	0.0	0.0
1053 Investment Loss Trust Fund	18.9	0.0	0.0
1061 Capital Improvement Project Receipts	111.4	111.6	116.3
1093 Clean Air Protection Fund	1,902.8	2,170.4	2,759.3
1108 Statutory Designated Program Receipts	0.2	0.0	0.0
<b>Funding Totals</b>	<b>5,892.3</b>	<b>5,050.2</b>	<b>5,987.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
Unrestricted Fund	68515	297.0	50.0	50.0	50.0	50.0
<b>Unrestricted Total</b>		<b>297.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	1,863.6	1,623.6	1,623.6	1,639.1	1,639.1
Interagency Receipts	51015	878.8	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	250.7	264.1	264.1	265.2	265.2
Statutory Designated Program Receipts	51063	0.2	0.0	0.0	0.0	0.0
Capital Improvement Project Receipts	51200	111.4	111.6	111.6	116.3	116.3
<b>Restricted Total</b>		<b>3,104.7</b>	<b>1,999.3</b>	<b>1,999.3</b>	<b>2,020.6</b>	<b>2,020.6</b>
<b>Total Estimated Revenues</b>		<b>3,401.7</b>	<b>2,049.3</b>	<b>2,049.3</b>	<b>2,070.6</b>	<b>2,070.6</b>

## Air Quality

### Proposed Changes in Levels of Service for FY2003

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

#### AIR QUALITY

- with the assistance of private contractors, develop air permit procedures, forms and regulation changes to implement the findings of the 2000 air permitting benchmarking study jointly done by the department and Alaska Oil and Gas Association to eliminate permit backlogs and provide predictability in the timing of permit issuance.
- examine policy options and technology retrofits that would reduce emissions of global warming greenhouse and avoid pollution increases from expanded oil and gas operations in the National Petroleum Reserve and Arctic National Wildlife Refuge.

#### Permitting and Plan Approvals

DEC will:

#### AIR QUALITY

- reduce air permit processing time by 50%, from a four-year average of 253 days to 126 days.
- eliminate the average 3-month permit queue and begin work immediately upon receipt of application.
- maintain permit quality by ensuring that permits are carefully drafted to minimize avoidable permit change requests.

#### Inspection, Monitoring and Compliance

DEC will:

- open a full-time North Slope field office with four staff.

#### AIR QUALITY

- increase the number of oil and gas air permit inspections. Only 25% of the current 88 permitted air facilities are inspected while no exploratory operations are inspected. We expect to increase the number of these inspections to 50% and inspect 20% of the exploration drill sites.
- audit 10% of air facility reports to fully evaluate operational compliance. Reports are not currently audited against the raw data on which they are based.
- Use private contractors to complete an independent ambient air quality monitoring project to evaluate cumulative ground level air quality conditions around oil field operations.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,144.6</b>	<b>1,623.6</b>	<b>2,282.0</b>	<b>5,050.2</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	25.0	15.5	40.2	80.7
<b>Proposed budget increases:</b>				
-Oil Safety and Development Initiative	302.7	0.0	553.4	856.1
<b>FY2003 Governor</b>	<b>1,472.3</b>	<b>1,639.1</b>	<b>2,875.6</b>	<b>5,987.0</b>

## Air Quality

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	52	56	Annual Salaries	2,991,246
Part-time	0	0	COLA	69,370
Nonpermanent	0	0	Premium Pay	5,089
			Annual Benefits	961,659
			Less 6.99% Vacancy Factor	(281,364)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>52</b>	<b>56</b>	<b>Total Personal Services</b>	<b>3,746,000</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	2	0	3
Administrative Clerk III	0	0	1	0	1
Administrative Manager III	1	0	0	0	1
Analyst/Programmer IV	1	0	0	0	1
Chemist II	0	1	0	0	1
Chemist IV	0	0	1	0	1
Env Eng Associate	5	2	3	0	10
Env Eng Associate II	2	1	1	0	4
Environ Conserv Mgr I	1	0	0	0	1
Environ Conserv Mgr II	1	0	1	0	2
Environ Conserv Mgr III	0	0	1	0	1
Environ Eng Asst I	1	1	1	0	3
Environ Eng Asst II	0	1	3	0	4
Environ Engineer I	0	1	2	0	3
Environ Engineer II	0	1	0	0	1
Environmental Spec I	0	1	0	0	1
Environmental Spec II	2	0	0	0	2
Environmental Spec III	4	1	3	0	8
Environmental Spec IV	2	0	3	1	6
Environmental Tech II	0	0	0	1	1
Maint Spec Etronics Journey I	0	0	1	0	1
<b>Totals</b>	<b>21</b>	<b>10</b>	<b>23</b>	<b>2</b>	<b>56</b>

## **Component: Water Quality**

### **Contact: Lynn Kent, Water Quality Programs Manager**

**Tel:** (907) 465-5312 **Fax:** (907) 465-5274 **E-mail:** Lynn\_Kent@envircon.state.ak.us

## **Component Mission**

Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.

## **Component Services Provided**

- Assess, protect, and restore the quality of Alaska waters.
- Develop or amend water quality standards and criteria for the best management of Alaska waterbodies.
- Reduce non-point sources of pollution in Alaska waterbodies through water quality protection and control programs.
- Protect water quality by establishing appropriate wastewater discharge limits and ensure those limits are not exceeded.
- Streamline wastewater discharge permit application and issuance.
- Provide information about permitted discharges and water quality to the public.

## **Component Goals and Strategies**

### **1) DEVELOP, AMEND, AND MAINTAIN WATER QUALITY STANDARDS TO PROTECT AND MANAGE FOR THE BEST USES OF ALASKA'S WATER RESOURCES.**

- Assist the public, legislature, industry, and state agencies in understanding the state's water quality standards.
- Convene an advisory group to examine potential regulation changes regarding if and when wastewater discharges can be compatible with stream sections that support salmon spawning.

### **2) MAKE DECISIONS ABOUT SELECTED WATERS WHERE PREVENTION OR RESTORATION ACTIONS MAY BE NEEDED.**

- Identify, collect, and provide access to data sources and information that enhance the assessment, mapping and reporting of environmental status.
- Compile data and maintain a water quality monitoring database.
- Oversee water quality monitoring projects performed by others to assure project success.
- Assess available information about the health of Alaska's waterbodies to identify waters that are degraded or polluted.
- Develop a long-term monitoring strategy through the Alaska Clean Water Actions plan.

### **3) ESTABLISH COMMON PRIORITIES AND COORDINATE THE EFFORTS OF ALL GOVERNMENT, COMMUNITY AND NON-GOVERNMENT STAKEHOLDERS INVOLVED IN PREVENTION OR RESTORATION PROJECTS TO ENHANCE AQUATIC HABITAT AND ECONOMIC USES OF ALASKA WATERS.**

- Reduce pollutants to waters through implementation of non-point source pollution strategies.
- Implement a risk-based approach to direct the permitting and oversight of wastewater discharges.
- Promote watershed protection by providing assistance to local planning, leadership, public outreach, and education activities.
- Manage grant funds and provide technical guidance for non-point source pollution control projects performed by grantees or contractors to ensure success in protecting or restoring the uses of a waterbody.
- Implement the recommendations of an advisory workgroup through the State Board of Forestry to deal with science and technical issues relating to log transfer facilities.

## **Key Component Issues for FY2002 – 2003**

A stakeholders' working group developed and recommended options to rebuild a comprehensive and efficient state wastewater discharge permit program. These involve resolution of a variety of issues concerning risk-based permitting mechanisms, field and enforcement strategies, permit fees and related issues. The division began implementing these

recommendations in FY2001. We expect full implementation in FY2002 of water permit fees, a facility-specific database, and initial implementation of web-based permitting tools. Additional web-based permitting tools and fast-track permit approvals for low-risk activities are anticipated in FY2003.

The State receives federal funds for water quality protection or recovery. Various federal agencies, local governments, and non-governmental organizations are also working in Alaska to preserve and enhance water quality. It is essential to build and foster a unified approach to prioritizing water quality projects. In conjunction with DFG, DNR, and DGC, DEC is implementing the Alaska Clean Water Actions (AWCA) plan. The plan provides a method to identify and prioritize the highest needs in the state for protecting water quality, water quantity, and aquatic habitats. It sets common principles for decision making at the state level. DEC will collaborate with federal agencies, local government and other entities to prioritize and fund water quality projects that are aligned with the ACWA policy principles.

### **Major Component Accomplishments in 2001**

Completed a stakeholders' work group to develop and recommend options to rebuild a comprehensive and efficient state wastewater discharge permit program.

Continued a work group of industry, government agencies and public members to resolve issues relating to cruise ship wastewater discharges. Workgroup accomplishments include a second year of voluntary wastewater discharge monitoring program during the summer of 2001 and the establishment of a science advisory panel to perform scientific analysis of sampling results and to begin environmental assessment. DEC drew upon this information as background for the 2001 legislation creating the commercial passenger vessel environmental compliance program. A work group process will continue as implementation of the new program commences in FY2002.

Completed 3 waterbody recovery plans. Based on water quality measurements, removed Harding Lake, located near Fairbanks, from the polluted waters list. We are measuring the success of the clean up of Swan Lake in Sitka anticipating to also remove it from the polluted waters list.

Issued 106 approvals for stormwater pollution prevention plans ensuring protection of surface water bodies during facility construction and operation.

Issued 123 individual wastewater discharge permits and general permit authorizations. Inspected 49 facilities with wastewater discharge permits.

Issued 74 certifications of U.S. Army Corps of Engineers permits for dredge and fill projects meeting Alaska water quality standards.

Prepared the annual statewide assessment of water quality conditions and provided electronic update to the federal assessment database.

Completed a clean water needs assessment which describes Alaska's infrastructure needs for wastewater sanitation, drinking water supplies and municipal stormwater management. The needs list is essential for supporting federal capital funding requests.

### **Statutory and Regulatory Authority**

AS 46.03; AS 46.04; AS 44.19; AS 46.40; AS 44.62; 8 AAC 80; 18 AAC 15; 18 AAC 70; 18 AAC 72; 6 AAC 50; 11 AAC 95; 5 AAC 93; Federal Coastal Zone Management Act Reauthorization of 1990; Federal Clean Water Act

## Water Quality

### Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,731.8	2,856.1	3,294.3
72000 Travel	227.4	463.1	515.1
73000 Contractual	656.5	1,228.1	1,756.2
74000 Supplies	53.4	82.5	91.0
75000 Equipment	80.1	56.5	105.9
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,749.2</b>	<b>4,686.3</b>	<b>5,762.5</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,702.3	2,182.9	1,824.8
1003 General Fund Match	385.6	390.7	400.2
1004 General Fund Receipts	1,257.0	1,527.3	2,840.0
1005 General Fund/Program Receipts	92.5	263.0	372.1
1007 Inter-Agency Receipts	279.0	245.0	248.0
1053 Investment Loss Trust Fund	15.5	0.0	0.0
1093 Clean Air Protection Fund	0.0	0.0	0.0
1108 Statutory Designated Program Receipts	17.3	77.4	77.4
<b>Funding Totals</b>	<b>3,749.2</b>	<b>4,686.3</b>	<b>5,762.5</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	1,702.3	2,182.9	1,824.6	1,824.8	1,824.8
Interagency Receipts	51015	279.0	245.0	245.0	248.0	248.0
General Fund Program Receipts	51060	92.5	263.0	263.0	372.1	547.8
Statutory Designated Program Receipts	51063	17.3	77.4	77.4	77.4	77.4
<b>Restricted Total</b>		<b>2,091.1</b>	<b>2,768.3</b>	<b>2,410.0</b>	<b>2,522.3</b>	<b>2,698.0</b>
<b>Total Estimated Revenues</b>		<b>2,091.1</b>	<b>2,768.3</b>	<b>2,410.0</b>	<b>2,522.3</b>	<b>2,698.0</b>



## Water Quality

### Proposed Changes in Levels of Service for FY2003

Permit Redesign Work: The department's FY2001 budget provided for a federal receipt increase of 503.7 in the water quality component as part of the funding necessary to redesign and rebuild the wastewater discharge program. The new federal funds were predominantly one-time funds that would eventually need to be replaced by another funding source. When the legislature was taking final action on the proposed FY2002 budget, the department had received informal assurance from the Environmental Protection Agency (EPA) that the same level of federal funds would remain available for FY2002. This has not occurred, a significant loss of funds has materialized and several elements of the program redesign work are not occurring in FY2002 due to funding limitations.

The department is requesting to replace 375.0 in federal receipts that are no longer available to Alaska with general funds (350.0) and general fund program receipts (25.0). This fund source switch of 375.0 will allow the department to continue program development efforts in FY2003 that were postponed in FY2002 due to lack of federal funding. Primary activities funded by the fund switch are:

- Permit tool development: Using contractual services, begin research on low risk operations to develop modern, streamlined permitting through tools such as "permits-by-rule" and "generally allowed discharges." These yet to be developed tools would be coupled with newly developed Best Management Practices (BMP) to guide small operators in avoiding pollution problems. The BMP's will be developed via contractual assistance and adopted into electronic formats to support fast track permitting.
- Field inspections/compliance assistance: Field work originally planned for FY2002 has also been curtailed. The department's risk based focus for wastewater discharges places a high emphasis on field assistance for small operators while de-emphasizing the pre-permit review. Higher risk operations have a balanced effort between permit review and field assistance. A recently developed risk based field inspection/compliance assistance ranking process has been designed to make wise use of limited field staff. This funding source switch will enable a modest increase in field compliance assistance.

Stormwater Engineering Reviews: On April 16, 2001 EPA issued a Stormwater Multi-Sector General Permit for Industrial Activities. For a company to operate under the terms of the EPA general permit, the department must first review and approve a site specific stormwater pollution prevention plan prepared by an engineer for the company. The department expects up to 400 engineering plans - plans to be reviewed and approved by DEC to operate under EPA's general permit.

Stormwater pollution is a major cause of water pollution in Alaska. The department requests an increment of 57.5 in general funds and 42.0 in general fund program receipts to support staff to accomplish the reviews of the stormwater plans. The review of these plans will assure that local conditions and locally applied mitigation designs are incorporated to adequately protect Alaska's waters. Field compliance assistance inspections will be conducted.

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.

- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

#### WATER QUALITY

evaluate best available technologies to reduce waste quantity and toxicity.

#### Permitting and Plan Approvals

DEC will:

#### WATER QUALITY

- evaluate baseline conditions prior to issuing new wastewater permits
- reduce the time it takes to issue oil and gas related individual wastewater permits by 56 days, or roughly 30 percent.
- conduct pre-work field inspections at approximately 10% of the projects to evaluate potential alternatives, or methods of operation that may result in less surface fill, less run-off pollution and greater protection of sensitive areas.

#### Inspection, Monitoring and Compliance

DEC will:

- open a full-time North Slope field office with four staff.

#### WATER QUALITY

- conduct water inspections and provide compliance assistance to North Slope facilities.
- increase inspection rates for high priority wastewater discharges from 50% to 100%.
- increase inspections for pad and road construction projects from 0% to 50% (approximately 50 projects).
- conduct independent verification of effluent quality and verification of facility self-reporting on discharge monitoring reports.
- evaluate ambient water quality through sampling and analyses.

**Summary of Component Budget Changes**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>2,181.0</b>	<b>2,182.9</b>	<b>322.4</b>	<b>4,686.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Continue Wastewater Permitting Program Development	375.0	-375.0	0.0	0.0
-Year 3 Labor Costs - Net Change from FY2002	44.3	16.9	3.3	64.5
-Year 3 Labor Costs - Fund Source Not Applicable	0.3	0.0	-0.3	0.0
<b>Proposed budget decreases:</b>				
-Implementation of 3rd Year HB 361 (Fee Bill)	-31.6	0.0	0.0	-31.6
<b>Proposed budget increases:</b>				
-New Federal Permit Requirements	99.5	0.0	0.0	99.5
-Oil Safety and Development Initiative	943.8	0.0	0.0	943.8
<b>FY2003 Governor</b>	<b>3,612.3</b>	<b>1,824.8</b>	<b>325.4</b>	<b>5,762.5</b>

## Water Quality

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	47	52	Annual Salaries	2,627,583
Part-time	2	3	COLA	60,105
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	853,987
			Less 6.98% Vacancy Factor	(247,375)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>49</b>	<b>55</b>	<b>Total Personal Services</b>	<b>3,294,300</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk II	2	1	1	0	4
Administrative Clerk III	0	0	1	0	1
Administrative Manager I	1	0	0	0	1
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Env Eng Associate	2	0	0	0	2
Env Eng Associate II	1	0	0	0	1
Environ Conserv Mgr I	1	0	0	0	1
Environ Conserv Mgr II	0	0	2	0	2
Environ Conserv Mgr III	0	0	2	0	2
Environ Eng Asst I	0	1	0	0	1
Environ Engineer I	1	0	0	0	1
Environ Engineer II	0	0	1	0	1
Environmental Spec II	1	2	1	0	4
Environmental Spec III	4	3	7	0	14
Environmental Spec IV	3	2	6	1	12
Grants Administrator II	1	0	0	0	1
Project Coord	0	0	1	0	1
Regulations Spec II	1	0	0	0	1
Tech Eng II / Architect II	0	1	0	0	1
<b>Totals</b>	<b>18</b>	<b>10</b>	<b>26</b>	<b>1</b>	<b>55</b>

## **Component: Commercial Passenger Vessel Environmental Compliance Program**

**Contact: Gretchen Keiser, Wastewater Discharge Program Manager**

**Tel:** (907) 465-5308 **Fax:** (907) 465-5274 **E-mail:** Gretchen\_Keiser@envircon.state.ak.us

### **Component Mission**

Identify, abate, and control air and water pollution from commercial passenger vessels in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's coastal environment.

### **Component Services Provided**

- Annually register commercial passenger vessels operating in Alaska's marine waters.
- Ensure vessel wastewater does not adversely impact Alaska's marine waters.
- Ensure vessel air emissions do not exceed Alaska's opacity standards or health-based standards for ambient air.
- Provide technical and contractual assistance to guide ambient air and wastewater sampling studies to assess risks to public health and the environment.
- Perform interpretive analysis of study results.
- Respond to complaints regarding vessel wastewater and air emissions.
- Provide information about commercial passenger vessel air and water discharges and water quality to the public.

### **Component Goals and Strategies**

- 1) PROTECT WATER QUALITY.
  - Review and interpret analytical results about contaminants in wastewater.
  - Conduct independent wastewater monitoring and onboard sampling oversight.
  - Resolve compliance problems as needed.
  - Conduct ambient water monitoring.
  - Conduct a risk analysis to determine the effects of vessel wastewater on water quality and water uses.
- 2) PROTECT AIR QUALITY.
  - Conduct opacity emissions monitoring.
  - Conduct ambient air monitoring.
  - Resolve compliance problems as needed.
- 3) ENSURE PROPER WASTE DISPOSAL.
  - Review vessel solid and hazardous waste handling procedures and reports.
- 4) RECOGNIZE ENVIRONMENTAL EXCELLENCE.
  - Develop a superior environmental protection recognition program.
- 5) COORDINATE EFFORTS WITH INDUSTRY, GOVERNMENT, AND NON-GOVERNMENT STAKEHOLDERS INVOLVED IN PROTECTION OF WATER AND AIR QUALITY IN ALASKA'S COASTAL ENVIRONMENT.
  - Implement program rules and procedures through a cooperative, public process with input from stakeholders.
  - Provide information to interested parties and the general public.

### **Key Component Issues for FY2002 – 2003**

Additional, independent wastewater or ambient water monitoring, beyond routine wastewater sampling and testing required of cruise line companies and the Alaska Marine Highway system will need to be conducted, as well as limited air opacity emission monitoring of the Southcentral Alaska ports of call.

An assessment of small passenger vessels will need to be completed by December, 2002 to examine the waste treatment systems of small vessel operators and to evaluate the water quality impacts and risks to public health and the environment, based on the wastewater monitoring data gathered in 2000-2002.

The rulemaking process will continue in FY2003, as necessary, to focus on longer-term program issues that were not addressed during the FY2002 rulemaking that concentrated on immediate program structure.

A superior environmental protection recognition program will be developed.

### **Major Component Accomplishments in 2001**

No major accomplishments.

### **Statutory and Regulatory Authority**

AS 46.03; AS 44.62; 18 AAC 50; 18 AAC 70; 18 AAC 72; Federal Title XIV - Certain Alaskan Cruise Ship Operations - of H.R. 5666 (PL 106-554); Federal Water Pollution Control Act.

## Commercial Passenger Vessel Environmental Compliance Program

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	144.3	155.4
72000 Travel	0.0	20.0	14.0
73000 Contractual	0.0	815.9	528.3
74000 Supplies	0.0	6.0	3.0
75000 Equipment	0.0	13.8	3.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>0.0</b>	<b>1,000.0</b>	<b>703.7</b>
<b>Funding Sources:</b>			
1108 Statutory Designated Program Receipts	0.0	1,000.0	0.0
1166 Commercial Passenger Vessel Environmental Compliance Fund	0.0	0.0	703.7
<b>Funding Totals</b>	<b>0.0</b>	<b>1,000.0</b>	<b>703.7</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Statutory Designated Program Receipts	51063	0.0	1,000.0	406.5	0.0	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>1,000.0</b>	<b>406.5</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>1,000.0</b>	<b>406.5</b>	<b>0.0</b>	<b>0.0</b>

**Commercial Passenger Vessel Environmental Compliance Program****Proposed Changes in Levels of Service for FY2003**

Initial funding for implementation of the commercial passenger vessel environmental compliance program, created by HB260, was provided through a one-time language appropriation of statutory designated program receipts (SDPR) in HCS CSSB29 (FIN) am H, (SLA 2001, Chapter 61, Section 89). HB260 also established the Commercial Passenger Vessel Environmental Compliance Fund (CPVF) to be used for ongoing operation of the program. Three transactions, a fund source change of 700.0 from SDPR to CPVF; a 300.0 decrement of unnecessary remaining SDPR authority; and, a line item transfer are being proposed to convert operating expenditures and receipts to that of the new fund and realign the program's budget with planned FY2003 activities.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	3.7	3.7
<b>Proposed budget decreases:</b>				
-Decrease unnecessary statutory designated program receipts authority.	0.0	0.0	-300.0	-300.0
<b>FY2003 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>703.7</b>	<b>703.7</b>



**Commercial Passenger Vessel Environmental Compliance Program****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b><u>FY2002</u></b>	<b><u>FY2003</u></b>		
	<b><u>Authorized</u></b>	<b><u>Governor</u></b>		
Full-time	2	2	Annual Salaries	116,547
Part-time	0	0	COLA	2,416
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	36,840
			<i>Less 0.26% Vacancy Factor</i>	(403)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>2</b>	<b>2</b>	<b>Total Personal Services</b>	<b>155,400</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Env Eng Associate	0	0	1	0	1
Environmental Spec IV	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>

## **BRU/Component: Non-Point Source Pollution Control**

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

**Contact: Tom Chapple, Director**

**Tel:** (907) 269-7634 **Fax:** (907) 269-3098 **E-mail:** Tom\_Chapple@envircon.state.ak.us

### **Component Mission**

Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.

### **Component Services Provided**

Fund external projects and contracts to prevent or remedy water quality problems.

### **Component Goals and Strategies**

FUND STEWARDSHIP, DATA COLLECTION, PROTECTION AND RESTORATION, AND RECOVERY PROJECTS TO ADDRESS WATER QUALITY PROBLEMS CAUSED PRIMARILY BY NON-POINT SOURCE ACTIVITIES BASED ON PRIORITIES AND NEEDS IDENTIFIED THROUGH THE ALASKA CLEAN WATER ACTION PLAN.

FUNDS PROVIDED IN THE STEWARDSHIP CATEGORY WILL:

- Accomplish the specific tasks to prevent water pollution or loss of fish habitat as guided by the policy directives of existing laws implemented by the natural resource agencies.
- Develop and use best management practices for forestry activities, local land development ordinances, and stormwater run-off.
- Focus education and outreach on efforts that are most likely to protect high-value streams and lakes at risk.

FUNDS PROVIDED IN THE DATA COLLECTION CATEGORY WILL:

- Gather information on levels of pollution in streams and lakes and determine how well pollution controls are working.
- Gather and share information to determine threats and solutions.

FUNDS PROVIDED IN THE PROTECTION AND RESTORATION CATEGORY WILL:

- Develop effective, realistic and affordable protection plans.
- Support community efforts to fix pollution problems before they cause long-term effects.

FUNDS PROVIDED IN THE RECOVERY CATEGORY WILL:

- Restore habitat and water quality in polluted water bodies.
- Develop and implement water shed management and recovery plans.

### **Key Component Issues for FY2002 – 2003**

As a result of creating the Alaska Clean Water Actions plan and using the plan's criteria to rank water quality needs, funds will be expended for projects using a more rigorous analysis of needs and benefits. The plan will be used as the basis in prioritizing and awarding funds for water protection and recovery projects in Alaska.

### **Major Component Accomplishments in 2001**

A total of twenty-eight (28) projects totaling approximately 1.7 million were awarded to grantees and agencies in FY2001. In total, funding by category was: a) 11 Clean Water Stewardship Projects totaling 1021.0 b) 9 Pollution Prevention Projects totaling 393.2 c) 8 Restoration Projects totaling 299.5.

### **Statutory and Regulatory Authority**

AS 46.03; AS 46.04; AS 44.19; AS 46.40; AS 44.62; 8 AAC 80; 18 AAC 15; 18 AAC 70; 18 AAC 72; 6 AAC 50; 11 AAC 95; 5 AAC 93; Federal Coastal Zone Management Act Reauthorization of 1990; Federal Clean Water Act

## Non-Point Source Pollution Control

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	1,042.6	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	670.1	2,269.4	1,715.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,712.7</b>	<b>2,269.4</b>	<b>1,715.4</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,712.7	2,269.4	1,715.4
<b>Funding Totals</b>	<b>1,712.7</b>	<b>2,269.4</b>	<b>1,715.4</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	1,712.7	2,269.4	2,269.4	1,715.4	1,715.4
<b>Restricted Total</b>		<b>1,712.7</b>	<b>2,269.4</b>	<b>2,269.4</b>	<b>1,715.4</b>	<b>1,715.4</b>
<b>Total Estimated Revenues</b>		<b>1,712.7</b>	<b>2,269.4</b>	<b>2,269.4</b>	<b>1,715.4</b>	<b>1,715.4</b>

**Non-Point Source Pollution Control****Proposed Changes in Levels of Service for FY2003**

In FY2002 a federal funding increment was approved for Non-Point Source pollution controls. The EPA is not continuing this increased funding for FY2003. The division will provide less pass-through funding as a result of this reduction.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>2,269.4</b>	<b>0.0</b>	<b>2,269.4</b>
<b>Proposed budget decreases:</b>				
-Decrease in Available Non-Point Source Federal Funding	0.0	-554.0	0.0	-554.0
<b>FY2003 Governor</b>	<b>0.0</b>	<b>1,715.4</b>	<b>0.0</b>	<b>1,715.4</b>

## **Spill Prevention and Response Budget Request Unit**

**Contact: Larry Dietrick, Director**

**Tel:** (907) 465-5250 **Fax:** (907) 465-5262 **E-mail:** Larry\_Dietrick@envircon.state.ak.us

### **BRU Mission**

Reduce unlawful oil and hazardous substance contamination in the environment.

### **BRU Services Provided**

- Administer the Oil and Hazardous Substance Release Prevention and Response Fund and manages Division resources to protect public health and the environment through the safe handling and cleanup of oil and chemicals.
- Ensure that producers, transporters and distributors of crude oil and refined oil products prevent oil spills, and are fully prepared materially and financially to clean up spills.
- Prevent and mitigate the effects of oil and hazardous substance releases and ensures their cleanup through government planning and rapid response.
- Oversee and conduct cleanups at contaminated sites in Alaska and prevents releases from underground storage tanks and unregulated aboveground storage tanks.
- Manage the Storage Tank Assistance Fund and Oil and Hazardous Substance Release Prevention and Response Fund as viable, long-term funding sources for the state's core spill prevention and response initiatives.

### **BRU Goals and Strategies**

- 1) **PREVENTION** - Ensure a "safer" Alaska through the spill-free handling of oil and chemicals.
  - Prevent spills from oil terminals, pipelines, tank vessels and barges, railroads, refineries, nontank vessels, and exploration and production facilities.
  - Prevent and reduce the occurrence of spills and hazardous substance releases through education and technical assistance to industry and the general public.
  - Implement an underground storage tank prevention plan which includes risk reduction measures, outreach, mandatory inspections and tags, and education of fuel tank owners and operators in proper spill prevention and response methods.
- 2) **PREPAREDNESS** - Prepare Alaska "better" for spills through government and industry response readiness.
  - Verify that facility and vessel operators have adequate resources to respond to oil spills through the review and approval of oil discharge prevention and contingency plans, inspection of response equipment inventories and spill response exercises and drills.
  - Maintain and improve statewide spill response preparedness and response by integrating state response capabilities with local communities and other State and federal agencies, pre-positioning of response equipment for local use, maintaining statewide and regional spill response plans, and implementing an incident command system for oil spill response in Alaska.
- 3) **CLEANUP** - Ensure a "cleaner" Alaska through the cleanup of contaminated sites.
  - Protect public safety through the identification and rapid abatement of dangerous acute human exposures to hazardous substances.
  - Protect public health through the timely characterization and remediation of chronic health exposure risks due to hazardous substance releases.
  - Protect the environment through mitigation of the effects of oil and hazardous substance releases on the environment and cultural resources.
  - Restore property value and usability through ensuring adequate cleanup and supporting economic redevelopment and restoration of lands damaged by hazardous substance releases.

- 4) RESPONSE FUND MANAGEMENT - Ensure a "sustainable" funding source for the abatement of releases of oil and hazardous substances.
- Continue to focus future activities on core spill prevention and response needs to ensure the long-term viability of the Prevention Account of the Oil and Hazardous Release Prevention and Response Fund.
  - Recover the state's costs for responding to unauthorized releases of oil and hazardous substances.

### **Key BRU Issues for FY2002 – 2003**

Initiate a spill prevention public outreach program targeted to owners of home heating oil tanks.

Improve statewide hazardous materials response capability for communities at risk from ammonia or chlorine releases.

Implement new legislation requiring oil spill contingency plans for the Alaska Railroad and nontank marine vessels over 400 gross tons.

Evaluate oil and gas aging infrastructure issues associated with corrosion, best available technology, and tank standards and initiate a risk assessment of oil pipelines associated with Cook Inlet oil and gas development.

Complete final year of privatized underground storage tank inspections and promote the tank tagging program to ensure that spills at newly installed tanks are prevented.

Improve the involvement of local organizations and accelerate the cleanup of historic military contamination in Alaska, including unexploded ordnance.

Implement areawide assessment and cleanup strategies in selected locations involving multiple sources of contamination and evaluate alternative approaches to economic redevelopment of contaminated sites in Alaska.

Promote the economic redevelopment of contaminated sites in Alaska.

### **Major BRU Accomplishments in 2001**

- Received 2,431 spill reports and conducted field responses to 297 spills and provided telephone follow-up to 232 other incidents.
- Conducted Prince William Sound sea trials to enhance escort system capability and resolve Hinchinbrook Entrance preparedness issues.
- Conducted preparedness drills on the North Slope in Beaufort Sea open water and broken ice conditions to evaluate contingency plans in conjunction with industry, federal and local representatives.
- Completed 74 contaminated site cleanups and issued 137 "no further action" letters for underground storage tanks and continued assessment and cleanup at 19 state-owned contaminated sites.
- Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements, oversaw third-party inspections and issued operating tags for 425 underground storage tanks, which allows them to receive fuel.

### **Key Performance Measures for FY2003**

#### **Measure:**

The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.  
Sec 66 Ch 90 SLA 2001(HB 250)

#### **Alaska's Target & Progress:**

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12/18/2001 2:52

FY2003 Governor  
Department of Environmental Conservation

The number of oil spills greater than one gallon requiring a state response each year has continued to decrease. This may reflect both an increase in preparedness on the part of spillers to clean up their own spills and a decrease in the number of significant spill incidents. 1,592 oil spills over one gallon were reported in FY 2001. Staff responded to 529 of these releases, either through field visits or telephone follow up action.

**Spill Data Comparison (FY01 versus Average for Prior Years (FY96-00))**

Performance Measure	FY01	FY 96-00 Average
Total Number of Spills Reported (includes both oil spills and hazardous substance releases)	2,431	2,467
Number of Oil Spills requiring a response*	529	945

\*A response is defined as a field response or telephone follow-up action.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Responses focused on the highest priority incidents that posed the greatest threat to public health and the environment. This number of responses is significantly lower than prior years and reflects the fact that fewer spills occurred that posed significant threats to public health or the environment.

**Measure:**

The number of hazardous substance spills compared to the number of hazardous substance spills requiring response. Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The number of hazardous substance spills requiring a state response each year has continued to decrease. This may reflect both an increase in preparedness on the part of spillers to clean up their own spills and a decrease in the number of significant spill incidents. 458 hazardous substance releases occurred in FY 2001. Staff responded to 82 of these releases, either through field visits or telephone follow up action.

**Hazardous Substance Release Data Comparison - FY 01 versus Average for Prior Years (FY 96-00)**

Performance Measure	FY01	FY 96-00 Average
Total Number of Hazardous Substance releases	458	558
Number of Hazardous Substance releases requiring a response*	82	128

\*A response is defined as a field response or telephone follow-up action.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

In FY01, program staff responded to 82 hazardous substance releases. These responses focused on the highest priority incidents that posed the greatest threat to public health and the environment. This number of responses is significantly lower than prior years and reflects the fact that fewer spills occurred that posed significant threats to public health or the environment.

**Measure:**

The time the division takes from receiving a report of a spill to the determination of "no further action". Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The target for this performance measure is to reduce the time it takes to close out a spill site through continuous improvement in the contaminated site pre-screening process and time tracking to identify where sites are in the cleanup process. Site intake procedures have been formalized and the systematic collection and tracking of cleanup data is being strengthened through the redevelopment of the contaminated sites database.

Calculating an “average” time for closing out a contaminated site that results from a spill is problematic, since the date that contamination was first discovered at many sites is not known and decades of remediation may be required for others. Recognizing these limitations, the average time the division takes from receiving the spill report to the “no further action” determination is approximately four years.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

- Take a collaborative approach with responsible persons to facilitate cleanup of contaminated properties.
- Rely on department enforcement authorities and funds from the Response Account to facilitate quicker action. However, rather than take an aggressive enforcement approach when the risk does not warrant it, focus efforts on creating a regulatory climate that assists responsible persons in speeding up the cleanup process.
- Utilize the Voluntary Cleanup Program where possible to speed up the cleanup of low to medium priority sites.
- Increase department emphasis on working with responsible parties to take quick action to mitigate risk.
- Employ risk based cleanup standards, accompanied by institutional controls, to facilitate cleanups proportional to risk and appropriate for the intended land use, decrease the need for long term cleanups, and facilitate redevelopment of contaminated property.

**Measure:**

The state cleanup costs per spill per year.

Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

A continuing reduction in the cost of cleanups is the target for this performance measure. State cleanup costs per spill for the five-year period from FY 1996 through FY 2000 averaged 5,841 per year. The cost per spill in FY 2001 was 2,067. Detailed reporting of cleanup costs are contained in the Biennial Response Fund Report.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

The department is required by law to track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources. The goal is to continue to improve the state's accounting, cost-tracking and billing procedures to ensure timely recovery of expended costs to the Oil and Hazardous Substance Release Prevention and Response Fund. The department will continue to pursue other sources of cost recovery, such as federal oversight funds and the federal Oil Spill Liability Trust Fund.

**Measure:**

The state cleanup costs per contaminated site per year.

Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

A continuing reduction in the cost of cleanups is the target for this performance measure. State cleanup costs per contaminated site for the five-year period from FY 1996 through FY 2000 averaged 6,726 per year. The cost per contaminated site in FY 2001 was 11,349. Increased average site costs in FY 2001 can be attributed to major cleanup efforts at six sites totaling over 1.5 million. Detailed reporting of cleanup costs are contained in the Biennial Response Fund Report.

**Benchmark Comparisons:**

External comparisons not available.



The department is required by law to track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources. The goal is to continue to improve the state's accounting, cost-tracking and billing procedures to ensure timely recovery of expended costs to the Oil and Hazardous Substance Release Prevention and Response Fund. The department will continue to pursue other sources of cost recovery, such as federal oversight funds and the federal Oil Spill Liability Trust Fund.

**Measure:**

The average environmental hazard per contaminated site.  
Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

A continuing reduction in the average environmental hazard per contaminated site is the target for this prevention measure. At the end of FY 2000, there were 756 "high", 602 "medium", 466 "low" and 219 "unranked" contaminated sites on the division's list, for a total of 2,143 sites. At the end of FY 2001, there were 776 "high", 660 "medium", 493 "low" and 117 "unranked" contaminated sites, for a total of 2,046 sites. This represents a 47% increase in the number of ranked contaminated sites and a 4.5% decrease in the overall number of sites. The Division is working to develop a mechanism that will track the number of contaminated sites where interim actions have been taken to reduce acute or dangerous exposures to the public.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

The division is working to characterize and rank all known contaminated sites in the state and reduce the number of sites in all categories, beginning with the highest-ranked sites. The goal is the assessment and cleanup of the highest risk sites in Alaska by ensuring the cleanup of contaminated sites by responsible parties; applying consistent and measurable cleanup standards; contracting private specialists to assess and clean up state-owned and "orphan" sites; and implementing an expanded Voluntary CleanUp Program to increase the rate of cleanup of lower priority sites with reduced government oversight.

By analyzing the cleanup process, the division has determined that an important measurement is how many interim actions the division has approved to reduce acute or dangerous exposures to hazardous substances.

**Measure:**

The number of underground storage tank owners issued "no further action" letters during the year.  
Sec 66 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

A continuing increase in the number of letters issued is the target for this prevention measure. A total of 124 "no further action" letters were issued to underground storage tank owners in FY 2000. In FY 2001, 137 letters were issued, representing an increase of 10% over the previous year.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Through legislation and rulemaking, the state adopted the federal regulatory program for underground storage tanks and added financial assistance and tank worker/inspector elements. The goals are to clean up existing petroleum spills and prevent new spills from happening.

To date, approximately 47 percent of over 2200 UST petroleum spills have been cleaned up and made available for economic reuse. The program has increased its annual rate of "no further action" determinations from 100 to over 125 by ensuring that each site is assigned to a designated staff person and then working the sites in order of highest hazard ranking. Sites of low rank can be expedited by processing through the Voluntary Cleanup Program.

**Measure:**

Amount of oil spilled (gallons).

**Alaska's Target & Progress:**

A continuing reduction in the amount of oil spilled is the target for this performance measure. For the five-year period from July 1, 1996 - June 30, 2000, an average of 219,605 gallons of oil were spilled each year. In FY 2001, 187,985 gallons of oil were spilled, a reduction of over 14% from the previous five-year average.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent oil spills through the implementation of a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches; educates commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and provides technical assistance to tank owners and operators to ensure compliance with federal regulations.

**Measure:**

Number of contaminated sites that have been cleaned up.

**Alaska's Target & Progress:**

A continuing increase in the rate of contaminated site cleanups is the target of this performance measure. In FY 2000, 58 contaminated sites cleanups were completed. Eighty military site cleanups were also closed out at the Adak formerly used defense site during FY 2000. In FY 2001 there were 74 completed site cleanups, representing an increase in the number of cleanups of 28%, not counting the Adak sites.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Annual site completion rates have more than doubled over the last ten years. The division has taken a number of steps, which will result in further acceleration of the rate of cleanup completions. In 1999 the division promulgated new cleanup regulations which allow contaminated site cleanups to be proportional to the risks posed to human health and the environment and the intended land use. The use of "institutional controls" tools has been expanded to facilitate risk-based cleanups which can reduce the time and costs associated with cleanups. The division has also expanded the Voluntary Cleanup Program (VCP) for low and medium priority sites to enable many sites, including underground storage tank sites, to be cleaned up under a streamlined process with minimal oversight by department staff. During new site identification, responsible parties for VCP candidate sites are invited to take advantage of this streamlined cleanup process. The division made an earlier decision to focus some staff resources on large facilities that have multiple high priority sites, such as the former U.S. Navy facility on Adak Island. This approach allowed simultaneous assessment and clean up of multiple sites in an area. The results of this approach will be realized during FY 01 and following years as multiple final cleanup efforts are completed and documented.

## Spill Prevention and Response

### BRU Financial Summary by Component

*All dollars in thousands*

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula</b>												
<b><u>Expenditures</u></b>												
None.												
<b>Non-Formula</b>												
<b><u>Expenditures</u></b>												
Spill Prev. & Resp. Director	0.0	0.0	194.4	194.4	0.0	0.0	197.9	197.9	0.0	0.0	202.4	202.4
Contaminated Sites Program	0.0	0.0	0.0	0.0	0.0	3,122.2	4,352.7	7,474.9	0.0	3,166.2	4,138.9	7,305.1
Industry Prep. & Pipeline Op.	0.0	0.0	2,592.8	2,592.8	0.0	8.5	3,192.6	3,201.1	451.2	8.5	3,463.1	3,922.8
Ind. Prep. & Pipeline Op. - Lang	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prevention and Emerg. Response	0.0	0.0	3,156.4	3,156.4	0.0	0.0	3,135.4	3,135.4	244.0	0.0	3,187.4	3,431.4
Response Fund Administration	0.0	0.0	1,584.2	1,584.2	0.0	32.0	1,752.4	1,784.4	0.0	32.7	1,759.7	1,792.4
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>7,527.8</b>	<b>7,527.8</b>	<b>0.0</b>	<b>3,162.7</b>	<b>12,631.0</b>	<b>15,793.7</b>	<b>695.2</b>	<b>3,207.4</b>	<b>12,751.5</b>	<b>16,654.1</b>

## Spill Prevention and Response

### Proposed Changes in Levels of Service for FY2003

Three positions will be added for second-year implementation of Senate Bill 16 and its associated fiscal note. Senate Bill 16 requires that certain nontank vessels and railroad cars submit contingency plans to the department for review and approval. The positions are required to review and approve these contingency plans and to conduct annual corresponding drills and compliance verification at covered facilities.

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 – 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

#### SPILL PREVENTION AND RESPONSE

- streamline contingency plan requirements through development of standardized technical manuals, scenario guidelines and assumptions.
- provide additional technical assistance and develop contingency plan submittal guidelines to prevent problems and expedite the approval process by initiating early action on potential issues.

- provide technical assistance to industry and consultants.
- develop educational materials and conduct stakeholder outreach.

## Permitting and Plan Approvals

DEC will:

## SPILL PREVENTION AND RESPONSE

- improve the timeliness of reviews for new, amended, and renewed oil spill contingency plans resulting from increased oil and gas activities and improve resolution of issues that prevent plan approvals in a timely manner.

## Inspection, Monitoring and Compliance

DEC will:

- open a full-time North Slope field office with four staff.

## SPILL PREVENTION AND RESPONSE

- increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.
- increase the number of on-site inspections conducted to determine compliance with discharge prevention and response equipment and resource requirements, including personnel training and corrosion detection.
- investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.
- increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- utilize third-party inspectors to assess leak detection and corrosion monitoring practices through term contracts.

**Spill Prevention and Response**  
**Summary of BRU Budget Changes by Component**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>3,162.7</b>	<b>12,631.0</b>	<b>15,793.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Spill Prev. & Resp. Director	0.0	0.0	4.5	4.5
-Contaminated Sites Program	0.0	44.0	-213.8	-169.8
-Industry Prep. & Pipeline Op.	0.0	0.0	50.8	50.8
-Prevention and Emerg. Response	0.0	0.0	52.0	52.0
-Response Fund Administration	0.0	0.7	7.3	8.0
<b>Proposed budget increases:</b>				
-Industry Prep. & Pipeline Op.	451.2	0.0	219.7	670.9
-Prevention and Emerg. Response	244.0	0.0	0.0	244.0

**Proposed budget increases:**

<b>FY2003 Governor</b>	<b>695.2</b>	<b>3,207.4</b>	<b>12,751.5</b>	<b>16,654.1</b>
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## **Component: Spill Prevention and Response Director**

**Contact: Larry Dietrick, Director**

**Tel:** (907) 465-5250 **Fax:** (907) 465-5262 **E-mail:** larry\_dietrick@envircon.state.ak.us

### **Component Mission**

Protect public safety, public health and the environment through prevention, preparedness and cleanup of oil and hazardous substance releases.

### **Component Services Provided**

- Administer the Oil and Hazardous Substance Release Prevention and Response Fund in coordination with other state agencies.
- Coordinate state spill prevention and response programs with state and federal agencies, industry and all third-party stakeholders.
- Prioritize state spill prevention and response programs to ensure the safe handling of oil and chemicals through prevention, preparedness and cleanup.

### **Component Goals and Strategies**

- 1) **PROTECT PUBLIC HEALTH AND THE ENVIRONMENT.**
  - Direct Division resources to spills that have the greatest risk to public health or the environment.
  - Develop programs to prevent spills of oil and hazardous substances.
  - Ensure the preparedness of government and industry to respond to spills and mitigate impacts, costs, and damages.
- 2) **MANAGE THE STATE'S RESPONSE FUND.**
  - Administer the Oil and Hazardous Substance Release Prevention and Response Fund to maximize benefits to Alaskans through prevention and response to spills that pose the greatest risk to public health or the environment.
  - Authorize access to the Response Account for spills, which pose an imminent and substantial threat.
  - Prepare projections and long-term strategies for the Prevention Account to ensure sustainable funding for the abatement of a release of oil or hazardous substances.

### **Key Component Issues for FY2002 – 2003**

Ensure that annual funding requests are consistent with revenue generated by the surcharge on oil production in order to sustain the state's long-term spill prevention, preparedness and cleanup capability.

Ensure the integration of data from separate databases to maximize the accuracy of the information used for establishing state spill prevention and response priorities.

Ensure that division resources are directed to the highest priority prevention, preparedness and response programs.

### **Major Component Accomplishments in 2001**

- Worked with affected stakeholders on passage of legislation requiring nontank marine vessels over 400 gross tons and the Alaska Railroad to participate in the State's oil spill safety net.
- Continued the build-up of in-state hazardous materials response capability.
- Implemented new legislation for a grant and loan program for underground storage tank cleanups.

### **Statutory and Regulatory Authority**

AS 46.03.360 - 450, AS 46.04, AS 46.08, AS 46.09, AS 46.13, 18 AAC 75, 18 AAC 78.



## Spill Prevention and Response Director

## Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	146.1	148.9	153.4
72000 Travel	14.6	18.8	18.8
73000 Contractual	30.6	28.7	28.7
74000 Supplies	3.1	1.5	1.5
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>194.4</b>	<b>197.9</b>	<b>202.4</b>
<b>Funding Sources:</b>			
1052 Oil/Hazardous Response Fund	194.4	197.9	202.4
<b>Funding Totals</b>	<b>194.4</b>	<b>197.9</b>	<b>202.4</b>

**Spill Prevention and Response Director****Proposed Changes in Levels of Service for FY2003**

No significant changes in services are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>197.9</b>	<b>197.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	4.5	4.5
<b>FY2003 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>202.4</b>	<b>202.4</b>

## Spill Prevention and Response Director

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	2	2	Annual Salaries	115,820
Part-time	0	0	COLA	3,515
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	36,609
			<i>Less 1.63% Vacancy Factor</i>	(2,544)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>2</b>	<b>2</b>	<b>Total Personal Services</b>	<b>153,400</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	0	0	1	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>

## **Component: Contaminated Sites Program**

### **Contact: Steve Bainbridge, Program Manager**

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### **Component Mission**

Protect public safety, public health and the environment by overseeing and conducting cleanups at contaminated sites in Alaska and by preventing releases from underground storage tanks and unregulated aboveground storage tanks.

### **Component Services Provided**

- Identify, rank, prioritize, track, and monitor the cleanup of contaminated sites in the state, including military sites.
- Provide technical assistance to responsible parties of contaminated sites.
- Clean up high priority "orphan" sites where the responsible party is unknown.
- Provide technical assistance and training to underground and aboveground storage tank owners for proper tank operation and maintenance, and basic spill prevention.
- Provide technical and financial assistance to assess and remediate rural bulk fuel storage facilities.
- Register and provide tags for underground storage tanks, and monitor the tank inspection and worker certification program.
- Implement risk-based approach and institutional controls to privatize site cleanups.

### **Component Goals and Strategies**

- 1) **PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.**
  - Implement an underground storage tank prevention plan which includes risk reduction measures, outreach, mandatory inspections and tags, and as needed legal action.
  - Educate fuel tank owners and operators in proper spill prevention and response methods, leak detection operations and proper equipment use.
  - Provide technical assistance to tank owners and operators to ensure compliance with federal regulations.
  - Inspect and monitor above ground storage fuel farms in rural Alaska for compliance with industry and regulatory standards.
- 2) **BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.**
  - Incorporate basic spill response into aboveground storage tank training activities.
  - Evaluate the potential for developing an incident reporting system for underground storage tank facilities.
  - Evaluate ways to work with fuel delivery personnel to assure that they are prepared and knowledgeable concerning spill response.
- 3) **CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS.**
  - Reduce the number and size of spills from underground storage tanks and rural bulk fuel facilities.
  - Ensure cleanup of contaminated sites by responsible parties.
  - Apply consistent and measurable cleanup standards.
  - Contract private specialists to assess and cleanup state-owned and "orphan sites".
  - Ensure cleanup of Formerly Used Defense and other Department of Defense sites.
  - Enable restoration and reuse of properties damaged by low risk hazardous substance releases, through use of the Voluntary Cleanup program and economic redevelopment initiatives.
  - Encourage alternative approaches to property redevelopment and prospective purchasers' agreements.
  - Ensure natural resources are restored to a safe, healthy, and economically usable state.

### **Key Component Issues for FY2002 – 2003**

Complete the privatized inspection/tagging program for Underground Storage Tanks begun in FY 2001, an important step in maintaining the spill prevention equipment and operations at the regulated UST facilities.

Clean up rural bulk fuel storage facilities in rural Alaska and establish a "circuit rider" position and program to inspect and

monitor aboveground storage tank fuel farms to ensure compliance with industry and regulatory standards for operation and maintenance and provide opportunities for training tank operators.

Identify sites which may benefit from economic redevelopment through alternative approaches by working with responsible parties, prospective purchasers, and local officials to identify incentives that will promote redevelopment of contaminated sites for productive use.

Develop and implement a program to research comprehensive insurance policies held by large companies with historic contamination where substantial cost recovery is anticipated.

Continue the implementation of "areawide assessment" projects where possible.

Resolve the issue of unexploded ordnance and weapons in the cleanup of historic military contamination.

Identify and evaluate contaminated sites in Alaska with persistent organic pollutants and develop strategies for their management and removal.

### **Major Component Accomplishments in 2001**

- The top ten cleanups in FY 2001 were the Six Mile Groundwater Area, River Terrace RV Park, Department of Transportation and Public Facilities Trailside, Umiat Formerly Used Defense Site, St. Lawrence Island Formerly Used Defense Site, Adak Naval Air Facility, Aniak Middle School, Cordova Electric-Eyak Lake, St Paul/St. George Pribilof National Oceanic and Atmospheric Administration sites, and Gaffney Road, Fairbanks.
- Initiated an area groundwater assessment in Fairbanks to determine the source of contamination and ensure safe drinking water as a model for other populated areas.
- Completed cleanup actions at 15 sites under the Voluntary Cleanup Program.
- Completed 74 contaminated site cleanups (includes 15 FY 2001 Voluntary Cleanup sites) and issued 137 "no further action" letters for cleanups at underground storage tank sites with historical contamination.
- Conducted 12 risk assessments covering 53 private and military sites. Nine of the risk assessments investigated the potential effects of persistent contaminants, including polychlorinated biphenyls (PCBs) and heavy metals, in subsistence resources with 3 of those involving state or federal health agencies.
- Continued assessment and cleanup at 19 state-owned sites, eight of which were underground storage tank sites.
- Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements.
- Certified that 95% of underground fuel storage tank facilities have adequate proof of financial responsibility.
- Oversaw the third party inspection of 425 underground storage tanks (40% of all underground storage tanks in Alaska) and issued operating tags for all "passing" tanks, which allows them to receive fuel legally.
- Discovered and corrected over 600 leak prevention violations at inspected underground storage tank facilities, but found no actively leaking tanks.
- Provided 20 bulk fuel storage tank training events representing 60 villages in rural Alaska.
- Worked at 33 villages to assess and remediate bulk fuel storage facilities in rural Alaska as a followup to fuel storage facility infrastructure improvements sponsored by Alaska Energy Authority and Denali Commission.

### **Statutory and Regulatory Authority**

AS 46.03, AS 46.04, AS 46.08, AS 46.09, AS 46.03.360-450, 18 AAC 75, 18 AAC 79

## Contaminated Sites Program

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,973.1	4,186.5	4,286.7
72000 Travel	296.9	524.1	524.1
73000 Contractual	2,067.4	2,542.7	2,272.7
74000 Supplies	91.5	111.6	111.6
75000 Equipment	333.6	110.0	110.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>6,762.5</b>	<b>7,474.9</b>	<b>7,305.1</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	2,562.9	3,122.2	3,166.2
1007 Inter-Agency Receipts	739.5	189.4	193.8
1052 Oil/Hazardous Response Fund	2,593.8	3,341.1	3,945.1
1061 Capital Improvement Project Receipts	82.0	0.0	0.0
1079 Storage Tank Assistance Fund	784.3	822.2	0.0
<b>Funding Totals</b>	<b>6,762.5</b>	<b>7,474.9</b>	<b>7,305.1</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
Unrestricted Fund	68515	69.0	42.0	42.0	42.0	42.0
<b>Unrestricted Total</b>		<b>69.0</b>	<b>42.0</b>	<b>42.0</b>	<b>42.0</b>	<b>42.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	2,562.9	3,122.2	3,122.2	3,166.2	3,166.2
Interagency Receipts	51015	739.5	189.4	189.4	193.8	193.8
Capital Improvement Project Receipts	51200	82.0	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>3,384.4</b>	<b>3,311.6</b>	<b>3,311.6</b>	<b>3,360.0</b>	<b>3,360.0</b>
<b>Total Estimated Revenues</b>		<b>3,453.4</b>	<b>3,353.6</b>	<b>3,353.6</b>	<b>3,402.0</b>	<b>3,402.0</b>

**Contaminated Sites Program****Proposed Changes in Levels of Service for FY2003**

No significant changes in services are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>3,122.2</b>	<b>4,352.7</b>	<b>7,474.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Reduction of one time funding for Day Tank Upgrade and Replacement	0.0	0.0	-270.0	-270.0
-Year 3 Labor Costs - Net Change from FY2002	0.0	44.0	56.2	100.2
<b>FY2003 Governor</b>	<b>0.0</b>	<b>3,166.2</b>	<b>4,138.9</b>	<b>7,305.1</b>

**Contaminated Sites Program****Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b><u>FY2002</u></b>	<b><u>FY2003</u></b>		
	<b><u>Authorized</u></b>	<b><u>Governor</u></b>		
Full-time	67	67	Annual Salaries	3,381,823
Part-time	1	1	COLA	81,393
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,138,278
			<i>Less 6.84% Vacancy Factor</i>	(314,794)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>68</b>	<b>68</b>	<b>Total Personal Services</b>	<b>4,286,700</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Accountant III	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Administrative Clerk II	2	0	2	1	5
Administrative Clerk III	0	2	0	1	3
Analyst/Programmer IV	1	0	0	0	1
Env Eng Associate	1	1	0	1	3
Environ Conserv Mgr I	3	0	1	0	4
Environ Conserv Mgr III	0	1	0	0	1
Environ Engineer I	0	0	0	1	1
Environmental Spec II	3	0	1	0	4
Environmental Spec III	15	7	7	2	31
Environmental Spec IV	5	2	3	0	10
Prog Coordinator	0	0	2	0	2
Project Coord	1	0	0	0	1
<b>Totals</b>	<b>33</b>	<b>13</b>	<b>16</b>	<b>6</b>	<b>68</b>



## **Component: Industry Preparedness and Pipeline Operations**

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### **Component Mission**

Protect public safety, public health and the environment by ensuring that producers, transporters and distributors of crude oil and refined oil products prevent oil spills, and are fully prepared materially and financially to clean up spills.

### **Component Services Provided**

- Review and approve oil discharge prevention and contingency plans required under state law.
- Conduct and participate in announced and unannounced spill drills to verify that regulated operators are in compliance with state response planning requirements.
- Inspect regulated facilities and vessels for compliance with state spill prevention and best-available technology requirements.
- Review and approve applications for proof of financial responsibility to ensure that regulated operators have the financial resources to carry out oil spill response operations.
- Register oil spill primary response action contractors identified in oil discharge prevention and contingency plans.

### **Component Goals and Strategies**

- 1) **PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.**
  - Prevent spills from oil terminals, pipelines, tank vessels and barges, railroads, refineries, nontank vessels, and exploration and production facilities.
  - Ensure that best available technology requirements for spill prevention are being implemented through the review and approval of oil discharge prevention and contingency plans and inspections and audits of marine vessels, facilities and pipelines.
- 2) **BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.**
  - Verify that facility and vessel operators have adequate resources to respond to oil spills through the review and approval of oil discharge prevention and contingency plans, inspections of response equipment inventories, and spill response exercises and drills.
  - Certify that 100% of regulated operators have the financial capability to respond to spills through the review and approval of applications for financial responsibility.
  - Ensure the effectiveness of spill plans which rely on contractors through their registration as primary oil spill response action contractors.

### **Key Component Issues for FY2002 – 2003**

Complete and implement nontank vessel and railroad contingency planning regulations.

Increase the number of North Slope and Cook Inlet drills, inspections and compliance audits and implement improved mechanical response equipment capability on the North Slope. Implement the provisions of the Charter for Development of the Alaskan North Slope relating to spill prevention and response

Collaborate with federal agencies to improve oil spill prevention measures for Alaska's pipeline systems and initiate a risk assessment of oil pipelines associated with Cook Inlet oil and gas development

Review aging infrastructure issues associated with Alaska's oil and gas exploration and development by reviewing best-available technologies, corrosion and petroleum storage tank standards.

Streamline contingency planning through development of standardized tech manuals and scenario guidelines and

assumptions on a subarea or statewide basis and continue efforts to streamline processing of financial responsibility applications and reviews.

### **Major Component Accomplishments in 2001**

- Approved 90 new, renewal or amended contingency plans, including several plans that required extensive agency and public review.
- Completed 105 inspections on marine vessels, facilities and pipelines.
- Participated in 31 drills and spill response exercises; 16 agency-initiated drills were conducted, including major equipment deployment drills in the Aleutians, South East, Prince William Sound, the Beaufort Sea, Cook Inlet, and along the TransAlaska Pipeline System corridor.
- Statutory authority approved for non-tank vessels (400 gross tonnage and greater) and the railroad contingency plan requirements.
- Conducted Prince William Sound sea trials to enhance the Prince William Sound escort system capability and resolve the long-standing issue of best available control technology for the Hinchinbrook Entrance Area.
- Completed extensive field work and conducted preparedness drills on the North Slope consisting of industry, state, federal and local representatives towards resolving contingency plan response planning issues for open water and broken ice conditions in the Beaufort Sea. Completed 38 drills days (105 staff days).
- Completed spill prevention audits of North Slope tanks and 30% of the other state tank farm and terminals.

### **Statutory and Regulatory Authority**

AS 46.04.030, AS 46.04.040, AS 46.04.035.

## Industry Preparedness and Pipeline Operations

## Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,981.4	2,213.1	2,557.9
72000 Travel	145.7	212.7	251.2
73000 Contractual	417.1	719.1	1,024.4
74000 Supplies	40.8	34.5	36.4
75000 Equipment	7.8	21.7	52.9
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,592.8</b>	<b>3,201.1</b>	<b>3,922.8</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	8.5	8.5
1004 General Fund Receipts	0.0	0.0	451.2
1007 Inter-Agency Receipts	108.5	231.0	236.1
1052 Oil/Hazardous Response Fund	2,484.3	2,961.6	3,227.0
<b>Funding Totals</b>	<b>2,592.8</b>	<b>3,201.1</b>	<b>3,922.8</b>

## Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
Unrestricted Fund	68515	38.5	101.1	101.1	101.1	101.1
<b>Unrestricted Total</b>		<b>38.5</b>	<b>101.1</b>	<b>101.1</b>	<b>101.1</b>	<b>101.1</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	0.0	8.5	8.5	8.5	8.5
Interagency Receipts	51015	108.5	231.0	231.0	236.1	236.1
<b>Restricted Total</b>		<b>108.5</b>	<b>239.5</b>	<b>239.5</b>	<b>244.6</b>	<b>244.6</b>
<b>Total Estimated Revenues</b>		<b>147.0</b>	<b>340.6</b>	<b>340.6</b>	<b>345.7</b>	<b>345.7</b>

## **Industry Preparedness and Pipeline Operations**

### **Proposed Changes in Levels of Service for FY2003**

Three positions will be added for second-year implementation of Senate Bill 16 and its associated fiscal note. Senate Bill 16 requires that certain nontank vessels and railroad cars submit contingency plans to the department for review and approval. The positions are required to review and approve these contingency plans and to conduct annual corresponding drills and compliance verification at covered facilities.

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 - 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### **Environmental Planning, Design and Consultation**

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

Spill Prevention and Response/Industry Preparedness and Pipeline Operations will:

#### **Permitting and Plan Approvals**

- streamline contingency plan requirements through development of standardized technical manuals, scenario

guidelines and assumptions.

- provide additional technical assistance and develop contingency plan submittal guidelines to prevent problems and expedite the approval process by initiating early action on potential issues.
- provide technical assistance to industry and consultants.
- develop educational materials and conduct stakeholder outreach.
- improve the timeliness of reviews for new, amended, and renewed oil spill contingency plans resulting from increased oil and gas activities and improve resolution of issues that prevent plan approvals in a timely manner.

Spill Prevention and Response/Industry Preparedness and Pipeline Operations will:

#### Inspection, Monitoring and Compliance

- increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.
- increase the number of on-site inspections conducted to determine compliance with discharge prevention and response equipment and resource requirements, including personnel training and corrosion detection.
- investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.
- increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- utilize third-party inspectors to assess leak detection and corrosion monitoring practices through term contracts.
- utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems through term contracts.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>8.5</b>	<b>3,192.6</b>	<b>3,201.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	50.8	50.8
<b>Proposed budget increases:</b>				
-Second Year Implementation of SB16	0.0	0.0	219.7	219.7
-Oil Safety and Development Initiative	451.2	0.0	0.0	451.2
<b>FY2003 Governor</b>	<b>451.2</b>	<b>8.5</b>	<b>3,463.1</b>	<b>3,922.8</b>

## Industry Preparedness and Pipeline Operations

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	33	38	Annual Salaries	1,946,853
Part-time	0	0	COLA	44,924
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	650,806
			Less 3.20% Vacancy Factor	(84,683)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>33</b>	<b>38</b>	<b>Total Personal Services</b>	<b>2,557,900</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	3	0	0	1	4
Environ Conserv Mgr I	3	0	0	0	3
Environ Conserv Mgr III	1	0	0	0	1
Environ Eng Asst II	1	0	0	0	1
Environ Engineer II	1	0	0	0	1
Environmental Spec II	2	0	0	0	2
Environmental Spec III	15	2	3	2	22
Environmental Spec IV	3	0	0	1	4
<b>Totals</b>	<b>29</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>38</b>

## **Component: Prevention and Emergency Response**

**Contact: Brad Hahn, Program Manager**

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### **Component Mission**

Protect public safety, public health and the environment by preventing and mitigating the effects of oil and hazardous substance releases and ensuring their cleanup through government planning and rapid response.

### **Component Services Provided**

- Rapidly respond to protect the public and environmental resources from the effects of the more than 2,000 spills of oil and hazardous substances that occur in Alaska in every year.
- Oversee or conduct response actions to ensure that all spills are cleaned up as quickly as possible to minimize the damage to public health and the environment.
- Maintain a statewide network of resources to allow the quickest and most effective response possible to all spills of oil and hazardous substances in Alaska.

### **Component Goals and Strategies**

- 1) PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.
  - Prevent and reduce the occurrence of oil spills and hazardous substance releases through education and technical assistance to industry and the public.
  - Prevent spills from home heating oil tanks through implementation of a targeted public outreach program.
- 2) BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.
  - Improve overall statewide spill response preparedness and response by incorporating local community response capabilities (through formal community spill response agreements between the department and communities), and pre-positioning response equipment for use by locally trained personnel.
  - Maintain, update and improve statewide and regional spill response plans.
  - Maintain and enhance the statewide hazardous materials response capability through continued improvements in the statewide hazmat response team status, as well as improving local community preparedness.
  - Conduct joint training and discharge exercises.
  - Maintain and improve statewide staff mobilization and logistical support functions to ensure prompt and effective state response.
- 3) CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS.
  - Ensure the safety of persons involved, responding or exposed from the immediate effects of spill incidents.
  - Ensure protection of public health and welfare from the direct or indirect effects of contamination of drinking water, air and food.
  - Ensure protection of the environment, natural and cultural resources, and biota from the direct or indirect effects on contamination.
  - Ensure assessment of contamination and damage and restoration of property, natural resources and the environment.

### **Key Component Issues for FY2002 – 2003**

Enhance spill prevention and response oversight of industry prevention practices and provide immediate response in the event of a spill in selected areas of the state.

Coordinate the spill response corps recruitment and training process to enhance the state's spill response capabilities by identifying, recruiting, and training State staff outside the program, division, and department.

Reverse the trend in the number of spills caused by home heating oil tanks through a spill prevention initiative that

provides statewide education and technical assistance to homeowners, financial institutions, construction firms, and the fuel delivery industry.

### **Major Component Accomplishments in 2001**

- Developed an initiative for implementation in FY 2002 to educate homeowners, fuel distributors, financial institutions, and others on prevention methods to reduce spills from home heating oil tanks.
- Provided non-regulatory technical assistance visits to facilities that use extremely hazardous substances and conducted visits to six facilities in the Bristol Bay area.
- Negotiated additional community spill response agreements with several communities and pre-positioned additional response equipment containers in communities for immediate access in the event of an oil spill.
- Published the Oil and Hazardous Substance Release Subarea Contingency Plans for Bristol Bay, Northwest Arctic and Western Alaska; all ten subareas of Alaska now have completed plans to assist emergency response efforts.
- Participated in the North Slope Mutual Aid, Valdez Marine Terminal, Southeast National Preparedness for Response Exercise Program (NPREP), Trans-Alaska Pipeline Lower River spill response drills, and several other smaller drills.
- Co-sponsored and participated in hazardous substance release training and exercises in Fairbanks, Whittier, Nenana, and Bristol Bay, increasing the awareness of local hazards and knowledge of proper immediate response actions.
- Completed a comprehensive interagency review of the Alaska Incident Management System Guide for Oil and Hazardous Substance Response and published a pocket-sized version of the guide for standardized and efficient response.
- Responded safely, without any major injuries or fatalities to persons involved in responses.
- Responded to 529 oil spills and 82 hazardous substance releases, ensuring rapid and efficient cleanup of sites presenting the greatest environmental threats resulting in protection of drinking water, reduction in wildlife impacts, and rapid restoration of surface biota and habitats.

### **Statutory and Regulatory Authority**

AS 46.04, AS 46.08, AS 46.09, AS 46.13, 18 AAC 75



## Prevention and Emergency Response

## Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,297.5	2,267.8	2,382.5
72000 Travel	178.9	220.0	240.0
73000 Contractual	563.3	461.8	610.8
74000 Supplies	96.2	81.4	81.9
75000 Equipment	20.5	104.4	116.2
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,156.4</b>	<b>3,135.4</b>	<b>3,431.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	0.0	0.0	244.0
1052 Oil/Hazardous Response Fund	3,156.4	3,135.4	3,187.4
<b>Funding Totals</b>	<b>3,156.4</b>	<b>3,135.4</b>	<b>3,431.4</b>

## Prevention and Emergency Response

### Proposed Changes in Levels of Service for FY2003

Alaska is experiencing a significant increase in the level of oil and gas exploration and development. Areas west of the Kuparuk River in the National Petroleum Reserve Alaska are being aggressively explored. During the winter of 2001-2002, 45 exploration wells are planned, versus 26 last year and 8 the year before. Oil companies from outside Alaska are moving forward with plans to drill in the foothills of the Brooks Range. Exploration and development of Cook Inlet reserves is increasing as the result of significant recent discoveries. New seismic technology that has a high exploratory drilling success rate is spurring interest to conduct re-exploration of existing oil and gas production areas and may lead to additional exploratory drilling and development. The Minerals Management Service is proceeding with plans to hold lease sales in the offshore frontier areas of the Beaufort Sea, Chuckchi Sea, Norton Sound, and Cook Inlet during the next five years (2002 - 2007). Additional state and federal acreage on the North Slope and Cook Inlet will be leased for oil and gas exploration. Significant interest in the development of potential shallow natural gas and coalbed methane deposits exists and is increasing. The state has so far authorized exploration for these new resources in Northwest Alaska, the Tanana Basin, and on the Kenai Peninsula.

DEC is not keeping pace with the current level of oil and gas activities in Alaska and cannot keep up with the expected increased level of exploration and development activities.

- Oil and gas facilities are seldom inspected for compliance with state environmental laws.
- The effects of oil and gas waste discharges to the air, land and water are not being monitored or measured.
- Too many permits are issued after long delays, uncertainty, and disagreement.
- There is little communication or collaboration with industry and concerned stakeholders on the planning and design of projects to minimize environmental problems and take advantage of opportunities to promote environmentally responsible development.

The oil safety and development initiative funds new and enhanced services in the Divisions of Spill Prevention and Response, Air and Water Quality, and Statewide Public Service. Services fall in three areas 1) environmental planning, design and consultation; 2) permitting; and 3) inspection and compliance.

#### Environmental Planning, Design and Consultation

DEC will:

- work proactively to identify potential environmental and public health issues early in the lease sale planning process when changes can be most effective in preventing future pollution problems.
- review plans and statements for lease sale plans to identify and avoid or mitigate potential air, land and water quality effects.
- identify and resolve potential environmental and public health issues early when changes to project designs can be most effective in preventing future pollution problems.
- identify potential improvements to streamline permit approvals.
- review and prepare a single coordinated and consolidated response.
- develop and implement assessments of the cumulative effects of oil and gas activities on Alaska's environment.
- increase its participation with stakeholder workgroups to resolve disagreements on what it means to "do it right".

Spill Prevention and Response/Prevention and Emergency Response will:

#### Inspection, Monitoring and Compliance

- increase the number of drills and exercises conducted to test and determine compliance with oil discharge prevention and contingency plans.
- increase the number of on-site inspections conducted to determine compliance with discharge prevention and response equipment and resource requirements, including personnel training and corrosion detection.
- investigate complaints on lack of proper oil and hazardous substance discharge prevention, preparedness, and cleanup.

- increase on-site monitoring and oversight of cleanups and field responses to significant spills.
- utilize third-party inspectors to assess leak detection and corrosion monitoring practices through term contracts.
- utilize third-party subject matter experts to assess and aid in correction of aging infrastructure-related problems through term contracts.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>3,135.4</b>	<b>3,135.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	52.0	52.0
<b>Proposed budget increases:</b>				
-Oil Safety and Development Initiative	244.0	0.0	0.0	244.0
<b>FY2003 Governor</b>	<b>244.0</b>	<b>0.0</b>	<b>3,187.4</b>	<b>3,431.4</b>

## Prevention and Emergency Response

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	35	36	Annual Salaries	1,828,807
Part-time	0	0	COLA	45,111
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	610,929
			<i>Less 4.12% Vacancy Factor</i>	(102,347)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>35</b>	<b>36</b>	<b>Total Personal Services</b>	<b>2,382,500</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	1	1	1	0	3
Environ Conserv Mgr I	1	0	0	0	1
Environ Conserv Mgr III	1	0	0	0	1
Environmental Spec II	3	2	1	1	7
Environmental Spec III	4	4	5	4	17
Environmental Spec IV	3	1	1	0	5
Environmental Tech II	1	0	0	0	1
Stock & Parts Svcs Journey II	1	0	0	0	1
<b>Totals</b>	<b>15</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>36</b>

## **Component: Response Fund Administration**

### **Contact: Kit Hill, Administrative Manager**

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## **Component Mission**

Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable, long-term funding source for the state's core spill prevention and response initiatives.

## **Component Services Provided**

- Manage the Prevention and Response Accounts of the Oil & Hazardous Substances Release Prevention and Response Fund.
- Recover state costs for responding to spills from the responsible party or other source of funding if recovery from the responsible party is not possible.
- Manage the Storage Tank Assistance Fund Grant and Loan Program.
- Manage and coordinate receipt and expenditure of federal dollars for cleanup of federal facilities.

## **Component Goals and Strategies**

- 1) **MANAGE THE STATE'S RESPONSE FUND.**
  - Provide accurate three year projections of fund balance to support fund management strategy.
  - Target budget requests to limit annual funding requests to revenue available from the prevention account surcharge.
  - Develop long term strategy for maintaining core spill prevention and response program with available revenue.
  - Provide accurate and timely expenditure and revenue reporting to ensure efficient management of response funds.
  - Develop cost controls and standardize division contracts.
  - Process grants and loans for underground storage tank cleanup and CIP expenditures for cleanup at state owned facilities.
- 2) **RECOVER STATE COSTS FROM RESPONSIBLE PARTIES.**
  - Track all state expenditures to control, contain, and clean up oil or hazardous substance spills.
  - Initiate timely billings to responsible parties to ensure maximum recovery of state costs.
  - Participate in settlement of cost recovery claims with the Department of Law.
  - Identify and pursue other sources of cost recovery such as the Federal Oil Spill Liability Trust Fund.
  - Prepare biennial report on the status of the Response Fund and annual report on Storage Tank Assistance Fund.
  - Act as Finance Section in Incident Command System (ICS) for major spill responses.

## **Key Component Issues for FY2002 – 2003**

Manage the Response Fund to maintain an adequate level of funding for core state spill prevention and response activities.

## **Major Component Accomplishments in 2001**

- Collected over 1.5 million dollars in cost recovery, fines, and penalties. 82% of billable state costs were recovered during FY 2001.
- Assisted in negotiation of seventeen settlements, including the Alaska Railroad Gold Creek settlement.
- Consolidated division contracting functions and developed needs definition for division contracts database which will improve tracking and management of contracts.

- Prepared annual reports for Storage Tank Assistance Fund and Response Fund.
- Managed Base Realignment and Closure, Department of Defense, National Oceanic and Atmospheric Administration, and Underground Storage Tank cleanup dollars.
- Negotiated Reimbursable Services Agreement with Alaska Industrial Development and Export Authority for remediation at above ground storage tank sites.

### **Statutory and Regulatory Authority**

AS 46.03.010, AS 46.08.005 - 070.

## Response Fund Administration

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	125.7	292.9	300.9
72000 Travel	21.0	7.5	7.5
73000 Contractual	1,409.4	1,480.0	1,480.0
74000 Supplies	21.1	2.0	2.0
75000 Equipment	7.0	2.0	2.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,584.2</b>	<b>1,784.4</b>	<b>1,792.4</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	32.0	32.7
1052 Oil/Hazardous Response Fund	1,584.2	1,752.4	1,759.7
<b>Funding Totals</b>	<b>1,584.2</b>	<b>1,784.4</b>	<b>1,792.4</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	0.0	32.0	32.0	32.7	32.7
<b>Restricted Total</b>		<b>0.0</b>	<b>32.0</b>	<b>32.0</b>	<b>32.7</b>	<b>32.7</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>32.0</b>	<b>32.0</b>	<b>32.7</b>	<b>32.7</b>

**Response Fund Administration****Proposed Changes in Levels of Service for FY2003**

No significant changes in services are anticipated.

**Summary of Component Budget Changes****From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>32.0</b>	<b>1,752.4</b>	<b>1,784.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.7	7.3	8.0
<b>FY2003 Governor</b>	<b>0.0</b>	<b>32.7</b>	<b>1,759.7</b>	<b>1,792.4</b>



## Response Fund Administration

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	5	5	Annual Salaries	220,879
Part-time	0	0	COLA	5,867
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	79,149
			<i>Less 1.63% Vacancy Factor</i>	(4,995)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>300,900</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Administrative Manager I	0	0	1	0	1
Administrative Manager IV	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>

## **BRU/Component: Local Emergency Planning Committees**

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

### **Contact: Brad Hahn, Program Manager**

**Tel:** (907) 269-7548 **Fax:** (907) 269-7648 **E-mail:** brad\_hahn@envircon.state.ak.us

### **Component Mission**

To ensure that Alaskans exposed to potential release of extremely hazardous substances are protected through preparation and availability of local hazardous materials response plans.

### **Component Services Provided**

- Receive and evaluate Tier Two reports under the federal Community Right-to-Know law and inform the public of hazards posed by chemical storage.
- Prepare Hazardous Material Response Plans for extremely hazardous substances stored in Alaska communities.
- Provide annual update to the State Emergency Response Commission's hazardous substance inventory report summarizing Tier II data.

### **Component Goals and Strategies**

Identify areas of high risk from the release of extremely hazardous substances.

Prioritize relative risks posed to Alaskans by storage of extremely hazardous materials.

Monitor business compliance with Tier Two requirements.

### **Key Component Issues for FY2002 – 2003**

Improve LEPC notification, communication and follow-up with local businesses regarding hazardous materials reporting requirements.

### **Major Component Accomplishments in 2001**

- Two hazmat annexes to local emergency response plans were completed.
- The State Emergency Response Commission's Finance Committee applied new grant application criteria in awarding funds to priority projects

### **Statutory and Regulatory Authority**

AS 26.23.060, AS 26.23.070, AS 26.23.075

## Local Emergency Planning Committees

## Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	401.7	423.4	326.1
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>401.7</b>	<b>423.4</b>	<b>326.1</b>
<b>Funding Sources:</b>			
1052 Oil/Hazardous Response Fund	401.7	423.4	326.1
<b>Funding Totals</b>	<b>401.7</b>	<b>423.4</b>	<b>326.1</b>

## Local Emergency Planning Committees

### Proposed Changes in Levels of Service for FY2003

This project is funded with a maximum of 3% of the Response Fund Prevention Account balance. The reduction in funding reflects the declining balance of the Prevention Account. Other funding sources will continue to be explored.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>423.4</b>	<b>423.4</b>
<b>Proposed budget decreases:</b>				
- Reduction in authorization to statutory 3% maximum for Local Emergency Planning Committee funding	0.0	0.0	-97.3	-97.3
<b>FY2003 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>326.1</b>	<b>326.1</b>

## **BRU/Component: Facility Construction and Operations**

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

**Contact: Dan Easton, Director**

**Tel:** (907) 465-5135 **Fax:** (907) 465-5177 **E-mail:** deaston@envircon.state.ak.us

### **Component Mission**

Assist communities in improving sanitation conditions.

### **Component Services Provided**

- Provide grants, loans and engineering assistance for water, sewerage, and solid waste facilities.
- Develop training programs for and certify water and sewerage system operators.
- Provide over-the-shoulder and emergency assistance to system operators in remote communities.

### **Component Goals and Strategies**

#### **REDUCE THE NUMBER OF HOUSEHOLDS WITHOUT ACCESS TO ADEQUATE SANITATION FACILITIES.**

- Secure approximately 60 million in federal grant funds on behalf of the communities.
- Solicit applications and make approximately 67 million in grants to communities for more than 70 sanitation facility projects in rural communities on a priority public health need basis.
- Work directly with communities to plan systems that can be operated and maintained locally.
- As agent for communities, manage private companies developing designs and supervising construction.
- Approve and track the expenditure of state and federal grant funds.

#### **ASSIST COMMUNITIES IN CONSTRUCTING WATER, SEWERAGE AND SOLID WASTE FACILITIES.**

- Secure approximately 16 million in federal grant funds and deposit into accounts for loan to communities.
- Solicit applications and make low-interest loans to community- and certain privately-owned utilities for drinking water and wastewater projects.
- Make approximately 23 million in grants (requiring a local match) and 19 million in loans to communities on a priority public health need basis.
- Approve and track the expenditure of state and federal grant and loan funds.

#### **PROVIDE ASSISTANCE TO COMMUNITY WATER AND SEWERAGE SYSTEM OPERATORS.**

- Secure approximately 1.3 million in federal grant funding for this program.
- Provide, via contracts with regional Native health corporations, 13 Remote Maintenance Workers to travel routinely to and assist water and sewer operators in 150 small communities across the state.
- Provide direct Remote Maintenance Worker assistance to 10 additional communities where services cannot be provided through regional Native health corporations.
- Prevent catastrophic failure and loss of any water and sewerage systems.

#### **TRAIN AND CERTIFY WATER AND WASTEWATER SYSTEM OPERATORS.**

- Train and certify operators of 650 small drinking water systems as required by changes in federal law.
- Develop and improve operator training curricula for use by private companies and the university system.
- Maintain a lending library of training materials.
- Administer 800 operator certification examinations.
- Receive and evaluate applications for certification, issue certificates, and maintain a database of 1,100 certified operators.
- Staff the Water and Wastewater Works Advisory Board which adjudicates certification decisions and develops recommendations on policy matters.

### **Key Component Issues for FY2002 – 2003**

**RURAL SANITATION.** Progress towards developing basic, but safe, water and sewerage systems in rural communities - "putting the honey bucket in the museum" - will remain a top priority. Availability of an additional 9 million in federal funds in FY2003 will allow funding of additional projects and result in a small, but real, increase in construction pace and

progress.

## **Major Component Accomplishments in 2001**

### **MUNICIPAL WATER, SEWERAGE AND SOLID WASTE MATCHING GRANTS PROGRAM**

- Awarded a total of 19.4 million in state and federally-funded matching grants to 22 communities for 47 water, wastewater and solid waste projects. The total local contribution was 12.8 million.

### **MUNICIPAL LOANS PROGRAM**

- Awarded 16.7 million in new, low-interest loans to 7 communities for 15 water, wastewater and solid waste projects.
- Secured 15.8 million in federal funding to add to loan account capital.
- Collected 13.5 million in loan principal and interest for deposit into the loan funds.

### **VILLAGE SAFE WATER PROGRAM**

- Secured 39.8 million in federal Environmental Protection Agency and US Department of Agriculture-Rural Development grant funding for the program.
- Awarded 52.9 million in grants for 69 water, wastewater and solid waste projects.
- Continued to work toward the goal of providing access to adequate sanitation services to rural communities. As of FY 2001 sixty-nine percent of all rural Alaskan households had access to running water and sewer.

### **REMOTE MAINTENANCE WORKER PROGRAM**

- Due, in part, to remote maintenance worker assistance, there have been no catastrophic system failures since 1989.
- Provided regular over-the-shoulder operator assistance to 171 communities.

### **OPERATOR CERTIFICATION PROGRAM**

- Administered two statewide operator certification examinations to over 310 applicants where approximately 215 examinees attained certification or upgraded their existing certifications.
- Administered 35 special entry-level operator certification examinations with approximately 200 village operators receiving training, 130 of which achieved entry-level certifications.

## **Statutory and Regulatory Authority**

AS 46.03.030, AS 46.03.032, AS 46.03.036, AS 46.07, AS 46.30, 18 AAC 73, 18 AAC 74, 18 AAC 76, 18 AAC 77

## **Key Performance Measures for FY2003**

### **Measure:**

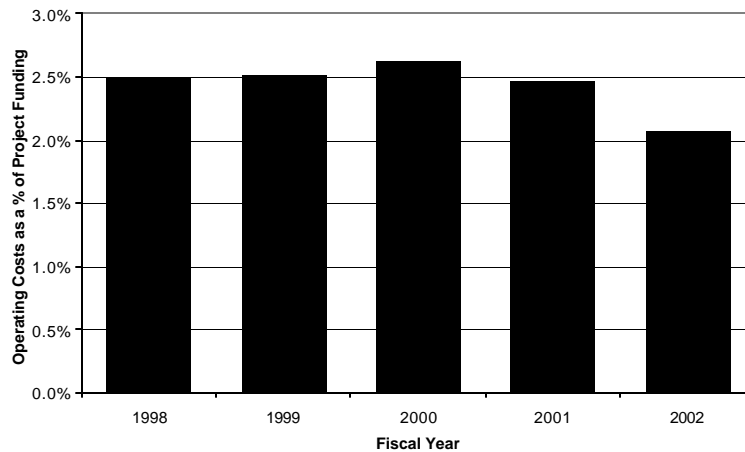
The agency operating costs per sanitation project.  
Sec 67 Ch 90 SLA 2001(HB 250)

### **Alaska's Target & Progress:**

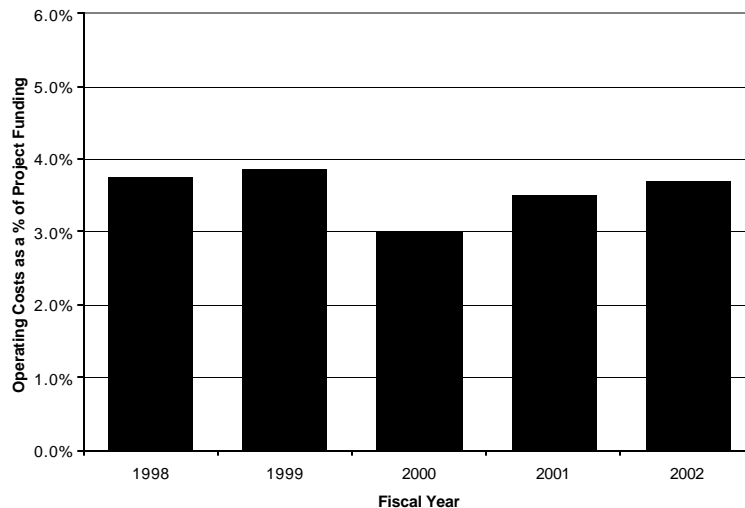
The goal of the Division of Facility Construction and Operation is to manage operating costs -- expressed as a percentage of capital project funding -- at 4 percent, or less. The division continues to meet this goal in both the Village Safe Water and Municipal Water, Sewerage and Solid Waste Matching Grant programs.

Between 1998 and 2002, operating costs for Municipal Water, Sewerage and Solid Waste Matching Grant projects varied between 2.1 and 2.6% of project funding. Operating costs for Village Safe Water projects ranged from 3.5 to 3.9% of project funding.

Municipal Water, Sewer, Solid Waste Matching Grant Program



Village Safe Water Program

**Benchmark Comparisons:**

These programs are relatively unique and it is difficult to find other programs with which to make direct comparisons. As a general rule, programs with administrative costs of less than 5% of grant or contract amounts are considered efficient. For example, envisioning a very low overhead operation through efficiency and reliance on outside agency staff, the enabling statutes for the Denali Commission include a 5% cap on administrative funding.

**Background and Strategies:**

The goal is to manage operating costs through efficiencies in how the division manages water, sewer and solid waste grant projects. The primary strategies for improving efficiency are:

- to increase the use and role of private companies in managing projects; and
- to streamline internal operations by improving data systems and administrative procedures.

**Measure:**

The number and cost of sanitation projects per division engineer.

Sec 67 Ch 90 SLA 2001(HB 250)

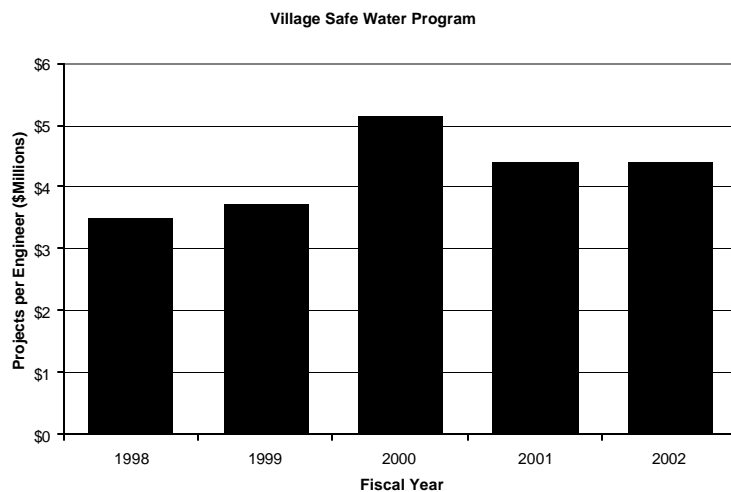
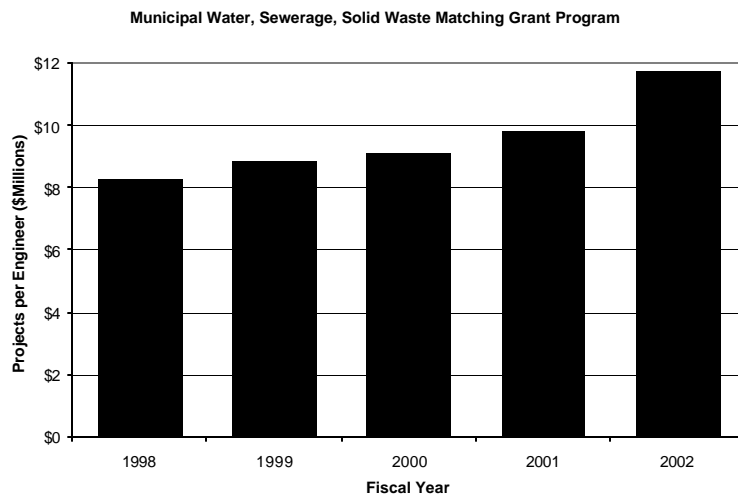
**Alaska's Target & Progress:**

The goal of the Division of Facility Construction and Operation is to manage workload at, or above, 4 million per

engineer in the Village Safe Water program and 8 million per engineer in the Municipal Water, Sewerage and Solid Waste Matching Grant program.

Between 1998 and 2002, the value of projects managed by the engineers of the Municipal Water, Sewerage and Solid Waste Matching Grant program steadily increased from just over 8 million per engineer to almost 12 million per engineer. This trend is due to increased project funding and a steady staffing level. For the same reason, Village Safe Water project funding per engineer has increased from 3.5 million in 1998 to almost 4.5 million in 2001 and 2002.

In terms of numbers of projects per engineer: Between 1998 and 2002, the average number of Municipal Water, Sewerage and Solid Waste Matching Grant projects managed by each program engineer varied between a low of 10.0 (in 1999) and a high of 14.5 (in 2001), with a 2002 level of 11.0 projects per engineer. In the Village Safe Water program, the number of projects per engineer varied from a low of 4.3 (in 1999) to a high of 6.0 (in 2000) with a 2002 level of 5.2 projects per engineer.



#### Benchmark Comparisons:

External comparisons not available.

#### Background and Strategies:

Of the two parts contained in this performance measure -- the number of sanitation projects per engineer and the cost of sanitation projects per engineer -- the cost of projects per engineer is a far better workload indicator. The workload associated with a given number of projects can vary substantially depending on project size. Project funding, on the other hand, incorporates variations in project size into the measure.



- to increase the use and role of private companies in managing projects; and
- to streamline internal operations by improving data systems and administrative procedures.

**Measure:**

The cost per household served.

Sec 67 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the Division of Facility Construction and Operation is to manage capital costs to strike an appropriate balance between capital cost, operating cost, level of service, and system robustness and life expectancy.

Last year a baseline was developed using data on the total state and federal investment in 11 projects completed between 1983 and 2000. Costs included total system development costs starting with water source development and ending with in-home running water and sewer. The average capital cost to develop a water source; provide treatment and distribution systems; and to project wastewater collection, treatment and discharge on a per household basis was calculated at 67,627. Since then, the database used to calculate a baseline cost per household served has been expanded to include total service costs in 25 communities. As a result of that effort, the baseline cost per household served has been revised slightly to 65,574.

**Benchmark Comparisons:**

A comparable analysis of the cost of providing water and sewer utilities in urban Alaska suggests that the average cost there is about one-half that in rural Alaska. This effect is the result of the high costs of construction in remote locations as well as the diseconomies of scale associated with developing utilities for relatively small numbers of customers.

**Background and Strategies:**

The primary strategies for managing per household costs for water and sewer systems are:

- to increase use of enclosed haul and other innovative systems where piped utilities are exceedingly expensive;
- to provide incentive for controlling costs in the competitive grant process by awarding more points to projects that are less expensive;
- to assert cost control and value engineering as a primary objective throughout project planning and development.

**Measure:**

The percentage of households with improved sanitation systems.

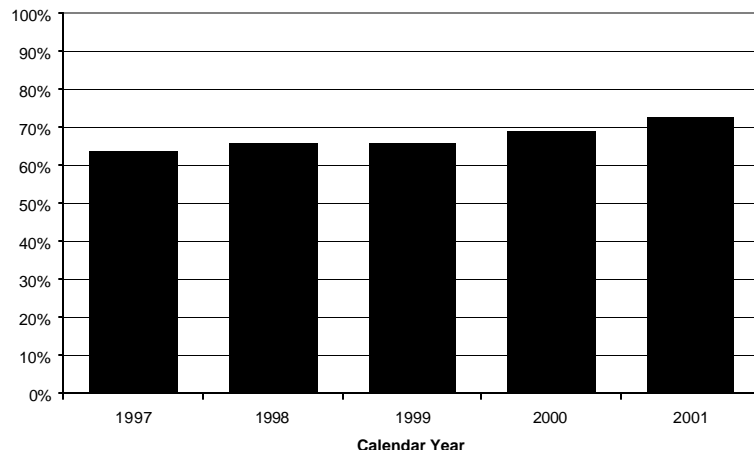
Sec 67 Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The goal of the Division of Facility Construction and Operation is an average 4 percent annual increase in the number of rural households with access to running water and sewer systems.

The percentage of rural households with access to running water and sewer increased 4 percent in the last year growing from 69 percent in 2000 to 73 percent in 2001.

Percent Rural Households with Running Water and Sewer



The primary strategies for accomplishing the goal of bringing running water and sewer to rural households are:

- to secure federal grant funds for rural sanitation projects;
- to make grants to rural communities with capacity to operate and maintain sanitation utilities for design and construction of water and sewer systems; and
- to work directly with rural communities to plan and construct water and sewer systems that can be operated and maintained locally.

#### Measure:

The actual life cycle cost compared to the design life cycle cost per year.

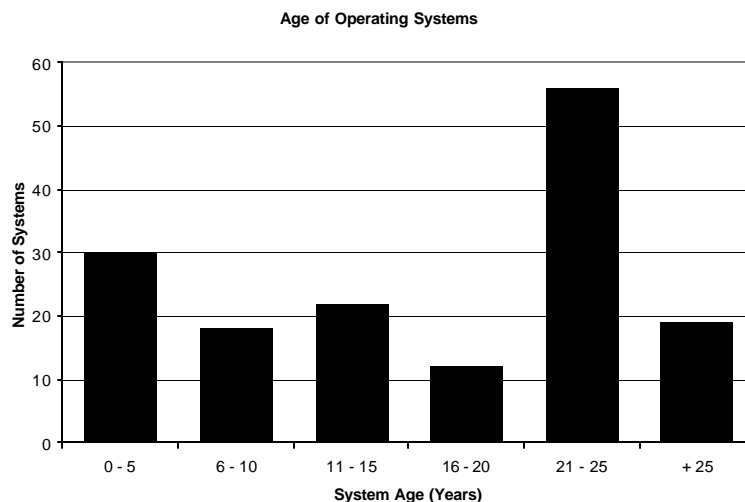
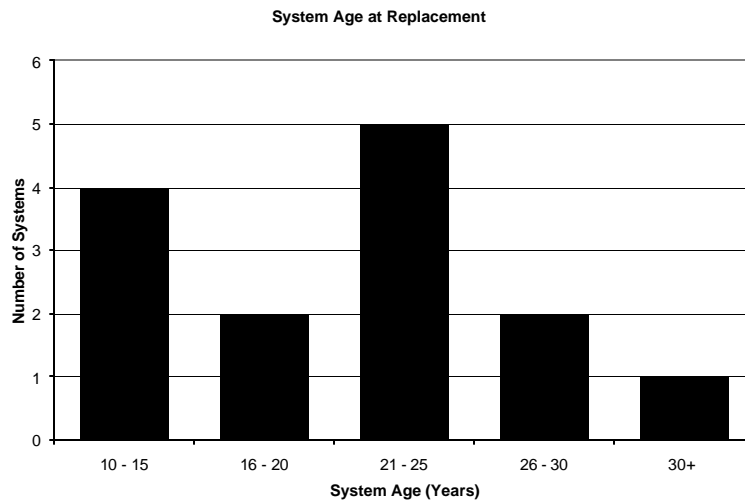
Sec 67 Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:

It is the goal of the Division of Facility Construction and Operation that rural sanitation facilities meet life cycle cost targets based on a 20-year design life.

Since the early 1960's, 14 community sanitation facilities -- largely water treatment facilities -- have been replaced in rural Alaska. Eight facilities were 21 years old or older at the time of replacement. The remaining six were replaced within 20 years of construction. Designs and construction practices have improved significantly since the 1960's and 70's. Facilities constructed more recently should significantly outlast those constructed earlier.

A frequency distribution of the age of 157 operating rural sanitation facilities shows that nearly half are 21 years old or older. The number of facilities meeting or exceeding a 20-year design life is expected to increase with time as more and more facilities pass the 20-year mark.



#### Benchmark Comparisons:

A 20- to 30-year design life is the industry norm for water treatment facilities. Due to extreme operating conditions, facility life expectancy in rural Alaska suggests adopting a design life at the shorter end of the range.

**Background and Strategies:**

The primary strategies for managing system longevity are:

- to continue to use the Remote Maintenance Worker program to assist communities with preventive maintenance and thereby extending the lives of existing systems; and
- to assert the division's remote maintenance workers' and engineers' arctic experience and expertise throughout project planning and development of new projects to optimize the life expectancy under what are often severe operating conditions.

## Facility Construction and Operations

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2,347.7	2,615.1	2,679.4
72000 Travel	256.7	314.4	329.4
73000 Contractual	726.5	1,211.5	1,216.5
74000 Supplies	33.4	70.6	70.6
75000 Equipment	46.7	51.5	51.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	1,123.3	1,523.3	1,503.3
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>4,534.3</b>	<b>5,786.4</b>	<b>5,850.7</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,140.4	1,658.5	1,660.6
1003 General Fund Match	616.6	620.1	620.5
1004 General Fund Receipts	349.5	355.6	365.0
1005 General Fund/Program Receipts	43.8	57.2	57.2
1053 Investment Loss Trust Fund	2.8	0.0	0.0
1061 Capital Improvement Project Receipts	1,588.6	2,105.0	2,142.8
1075 Alaska Clean Water Loan Fund	373.6	462.8	469.4
1100 Alaska Drinking Water Fund	418.2	527.2	535.2
1108 Statutory Designated Program Receipts	0.8	0.0	0.0
<b>Funding Totals</b>	<b>4,534.3</b>	<b>5,786.4</b>	<b>5,850.7</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b><u>Unrestricted Revenues</u></b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>						
Federal Receipts	51010	1,140.4	1,658.5	1,658.5	1,660.6	1,660.6
General Fund Program Receipts	51060	43.8	57.2	57.2	57.2	57.2
Statutory Designated Program Receipts	51063	0.8	0.0	0.0	0.0	0.0
Capital Improvement Project Receipts	51200	1,588.6	2,105.0	2,105.0	2,142.8	2,142.8
<b>Restricted Total</b>		<b>2,773.6</b>	<b>3,820.7</b>	<b>3,820.7</b>	<b>3,860.6</b>	<b>3,860.6</b>
<b>Total Estimated Revenues</b>		<b>2,773.6</b>	<b>3,820.7</b>	<b>3,820.7</b>	<b>3,860.6</b>	<b>3,860.6</b>

**Facility Construction and Operations**  
**Proposed Changes in Levels of Service for FY2003**

No service changes.

**Summary of Component Budget Changes**  
**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>1,032.9</b>	<b>1,658.5</b>	<b>3,095.0</b>	<b>5,786.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	9.8	2.1	52.4	64.3
<b>FY2003 Governor</b>	<b>1,042.7</b>	<b>1,660.6</b>	<b>3,147.4</b>	<b>5,850.7</b>

## Facility Construction and Operations

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	36	36	Annual Salaries	2,095,570
Part-time	0	0	COLA	54,470
Nonpermanent	4	4	Premium Pay	14,192
			Annual Benefits	676,255
			Less 5.67% Vacancy Factor	(161,087)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>40</b>	<b>40</b>	<b>Total Personal Services</b>	<b>2,679,400</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	1	0	3
Analyst/Programmer II	0	0	1	0	1
Division Director	0	0	1	0	1
Env Eng Associate	1	0	0	0	1
Environ Conserv Mgr I	0	0	1	0	1
Environ Conserv Mgr II	1	0	0	0	1
Environ Conserv Mgr III	0	0	1	0	1
Environ Engineer I	1	0	0	0	1
Environ Engineer II	1	0	1	0	2
Environmental Spec I	0	0	1	0	1
Environmental Spec III	0	0	1	0	1
Environmental Spec IV	0	0	1	0	1
Graduate Intern I	3	0	0	0	3
Grants Administrator I	1	0	0	0	1
Grants Administrator II	0	0	1	0	1
Maint Spec Bfc Foreman	1	0	0	0	1
Maint Spec Bfc Jrny II/Lead	2	0	1	0	3
Planner III	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Project Asst	0	0	1	0	1
Student Intern I	1	0	0	0	1
VSW Engineer I	4	0	0	0	4
VSW Engineer II	3	0	0	0	3
VSW Engineer III	1	0	0	0	1
VSW Engineering Assoc	3	0	0	0	3
VSW Engineering Asst	1	0	0	0	1
<b>Totals</b>	<b>26</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>40</b>